



If You Have \$6,000, Buy These 3 TSX Stocks Today!

Description

It has been a volatile ride for **TSX** stocks in 2020. Nobody really knows what markets will do over the next six months or even a year. Yet, I do know that investing in TSX stocks with a long-term horizon (five years or more) is a winning strategy.

If you are sitting on \$6,000 that you can afford to invest, here are three high-quality TSX stocks to consider. All three have solid businesses, strong growth pipelines, and each [pay a nice dividend](#). If you put \$2,000 into each stock today, you would generate a total of \$325 in dividends per year. They make a great foundation for any investor's portfolio.

This TSX stock is developing green power across the world

The first TSX stock is **Northland Power** ([TSX:NPI](#)). Northland is a renewable power operator and developer globally. Over the years, Northland has steadily diversified and grown its green energy portfolio. Just recently, it completed the Deutsche Bucht wind farm and acquired a Colombian electric utility.

Northland saw its 2020 first quarter sales, adjusted EBITDA, and free cash flow per share increase 35%, 43%, and 39%, respectively. In addition to Northland's present offshore wind and solar projects in Taiwan, Japan, and Mexico, it also added new wind projects in South Korea and British Columbia this quarter. Northland is steadily becoming a top green energy producer and developer across the globe.

As well, the company pays a nice growing 4% distribution. This is a great TSX stock that will benefit from a growing preference for clean, green energy for many years to come.

This REIT is riding the e-commerce wave

Granite REIT ([TSX:GRT](#))([NYSE:GRP](#)) has a large-scale logistics and industrial real estate portfolio across Canada, the U.S., and Europe. Like its name, this TSX stock is super sturdy.

It is attractive for a few reasons. First, it has a large, diverse portfolio. In uncertain times geographic, asset-class, and tenant diversity is really important for balancing risk. Granite has 99% portfolio occupancy and an average lease term of 6.3 years.

Second, 59% of Granite's portfolio is made up of institutional quality logistics properties. These are leased to e-commerce giants like **Amazon** and **Wayfair**. The rest of the portfolio (41%) is leased to **Magna International**.

In fact, Granite's strong relationship with Magna is actually a pro during the pandemic crisis. They are partners and there is very little concern that Magna won't pay its rent.

Finally, Granite has a very strong management team, a great operating platform, and very solid financials. It has a net leverage ratio of 23%, \$714 million of liquidity, and pays a growing 4.42% yield. This TSX stock is cheap, yet it is becoming a dominate player in e-commerce real estate, which makes it a great buy today.

This TSX stock provides crucial energy infrastructure

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is probably the riskiest TSX stock of these three, yet that is why it is attractive. When you buy Pembina you are buying a bet on oil, but without the commodity risk.

Here is what I mean: Pembina's assets include pipelines, midstream assets, and oil processing assets. Between 90% and 95% of its adjusted EBITDA is from fee-based contracts. As a consequence, very little of its cash flow is affected by commodity pricing or volumes.

The stock cratered in March over concerns of counter-party risk. Yet, 80% of its counter-parties have investment grade credit ratings. Pembina's largest risk is if the COVID-19 crisis leads to an extended period (over a year) of depressed oil prices.

Although that scenario is possible, it is not likely. Oil producers have significantly [reduced production globally](#). As the global economy starts to recover, there could potentially be a temporary oil supply shortage. If that were the case, Pembina's stock could quickly rebound.

Pembina is paying a 7.7% distribution that is well covered by contracted cash flows. At this price, Pembina is a really solid TSX stock with lots of upside if oil recovers.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:NPI (Northland Power Inc.)

4. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

Date

2025/08/26

Date Created

2020/05/20

Author

robbybrown

default watermark

default watermark