3 Red-Hot TSX Stocks to Buy Today

Description

After a slow Thursday, the **S&P/TSX Composite Index** was up over 300 points in early afternoon trading on Friday, June 5. Stocks roared on the heels of a positive jobs report in Canada and the United States. Canada added 290,000 jobs in the month of May. Economists had expected the country to shed roughly half a million jobs as the COVID-19 pandemic continued to apply pressure. Today, I want to look at three scorching TSX stocks that are still worth adding to your portfolio in early June.

One red-hot TSX stock in retail

Retailers have faced a tough environment during this pandemic, but forward-thinking companies have managed to flourish. **Sleep Country Canada** (TSX:ZZZ) belongs to that lucky group. Shares of Sleep Country have dropped 17% in 2020 at the time of this writing. However, the stock has increased 34% over the past month. Sleep Country was my top TSX stock pick for the month of June.

The company released its first-quarter 2020 results on May 4. Revenue rose 1.5% year over year to $151.6 million while same-store sales fell 0.9%. Sleep Country was powered by 143% growth in its e-commerce activity across all brands. The closure of brick-and-mortar retailers has accelerated the migration to digital channels. Fortunately, Sleep Country has been committed to bolstering this platform for some time now.

Sleep Country is a top TSX stock that still holds nice value. Shares last had a favourable price-to-earnings ratio of 12 and a price-to-book value of 1.9.

Keep your eyes on home improvement

Canadians have been cooped up since the middle of March. Because of this, many homeowners have opted to keep themselves busy with improvements. **Richelieu Hardware** (TSX:RCH) is a promising manufacturer, importer, and distributor of specialty hardware and complementary products in North America. Its shares have climbed 8% in 2020 so far, and it is another one of my top TSX stocks tosnag before the summer.

Richelieu released its first-quarter 2020 results on April 9. Total sales increased 10.2% year over year to $249.4 million and EBITDA posted 18.9% growth to $24.9 million. Meanwhile, the company made three new acquisitions in Canada and the United States, which represent sales of roughly $60 million. The company also boasts a fantastic balance sheet.

One dividend all-star to grab in June

Back in late February, I'd suggested two dividend stocks that were trading at a discount. **Finning International** (TSX:FTT) was one of those top TSX stocks. Its stock has dropped 21% in 2020 so far, but shares have climbed 3.2% over the past three months. Finning is the world's largest **Caterpillar** dealer. It released its first-quarter 2020 results on May 4.

The company reported lower revenues in Q1 2020, but EBITDA increased 5% year over year to $170 million and earnings per share climbed 9% to $0.33. This was primarily due to improved performance in South America, reduced SG&A costs, and the strength of its product support business.

Shares of Finning last possessed a P/E ratio of 12 and a P/B value of 1.4. This is attractive value territory relative to industry peers. Moreover, the company maintained its quarterly dividend of $0.205 per share. This represents a 4% yield. Finning has delivered dividend growth for 18 consecutive years. This top TSX stock has been resilient in the face of this crisis and is a top dividend payer.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. TSX:FTT (Finning International Inc.)
2. TSX:RCH (Richelieu Hardware Ltd.)
3. TSX:ZZZ (Sleep Country Canada)

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