Here’s How to Spend $10,000 on the TSX Today

### Description

The **S&P/TSX Composite Index** had a fantastic finish to the first week of June. Energy and financials led the way as the TSX moved up over 300 points. Canadian and U.S. indices received a bump after a better-than-expected jobs report in both countries. Provinces are moving towards the next phase of reopening, which should provide more momentum for an ailing economy. Today, I want to explore how Canadians should look to spend $10,000 on the TSX before we kick off the summer.



## Pursue income and growth with this TSX stock

When this year began, I’d suggested that investors may want to go into real estate investment trusts (REITs) to power income in their portfolios. The COVID-19 crisis caused uncertainty in the real estate sector. However, the situation for renters has been stable so far. This is why I’m targeting a promising TSX-listed REIT in June.

**InterRent REIT** (TSX:IIP.UN) is a rare growth-oriented REIT. It is engaged in increasing unitholder value and in paying out sustainable income. Shares of this REIT have dropped 5.7% in 2020 as of close on June 5. The company released its first-quarter 2020 results on May 5.

Operating revenues increased 16.7% year over year to $5.6 million, as average monthly rent per suite posted growth of 5.5%. Net income rose $24.3 million year over year to $37.9 million. Moreover, adjusted funds from operations (AFFO) increased 30.7% to $12.5 million.

InterRent stock last had a very favourable price-to-earnings (P/E) ratio of 4.8 and a price-to-book (P/B) value of 1.1. It last paid out a monthly dividend of $0.025833 per share. This represents a 2.1% yield.

## One entertainment stock worth owning

Back in May, I’d discussed how the COVID-19 pandemic had hit the entertainment sector hard. **Stingray Group** (TSX:RAY.A) is a Montreal-based company that provides business-to-business multi-platform music and in-store music and video solutions. Shares of Stingray have dropped 29% in 2020 so far. This is a TSX entertainment stock worth watching right now.

Stingray released its fourth-quarter and full-year fiscal 2020 results on June 3. Revenues fell 6% year over year to $68.4 million due to the impact of COVID-19 on radio revenues. For the full year, revenue increased 44.2% to $306.7 million. Adjusted EBITDA jumped 25.9% to $28.2 million in Q4, while adjusted free cash flow soared 82.6% to $18 million, or $0.24 per share. In the quarter, Stingray also acquired a 30% interest in The Podcast Exchange (TPX), the Canadian leader in podcast advertising.

This company has carved out an exciting piece in the digital entertainment space. Shares last possessed a P/E ratio of 26 and a P/B value of 1.2. This is attractive value territory relative to industry peers. Moreover, the stock offers a quarterly dividend of $0.075 per share, representing a tasty 6.1% yield.

## Snag this bank stock before the summer

Bank stocks have been big movers on the TSX after releasing earnings in late May. **Canadian Western Bank** is one of my favourite targets right now. However, investors need to move quickly, as the stock is already gaining significant momentum. Shares have climbed 23% month over month.

Canadian Western possesses a fantastic balance sheet. The stock last had a nice P/E ratio of 8.5 and a P/B value of 0.8. Better yet, it offers a quarterly dividend of $0.29 per share, which represents a 4.5% yield. It has delivered dividend growth for over a quarter century.



**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:IIP.UN (InterRent Real Estate Investment Trust)
2. TSX:RAY.A (Stingray Group Inc.)

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**Author**
aocallaghan