
3 TSX Stocks to Buy Right Now If You Have $1,000

**Description**

Investors who did not act during the COVID-19 crash might feel that they have missed the bus. The *FOMO* might dominate, especially after the subsequent rally that lifted **TSX** stocks by almost 45% in the last three months. However, the momentum might continue. So, if you are sitting on some cash, here are some top TSX stocks with attractive potential.



## Premium growth at a discounted valuation

Despite a steep rally recently**, goeasy** (TSX:GSY) stock looks notably undervalued at the moment. A financial services company has been growing at a superior rate for years, which makes its current valuation a worthwhile bet.

In the last 20 years, it has managed to grow its revenues by 13% compounded annually. It continued to fire on all cylinders during the first quarter as well. While the pandemic impacted business activities significantly, goeasy managed a handsome 20% revenue as well as earnings growth compared to the same quarter last year.

A small personal loan company goeasy is expanding its geographical footprint in Quebec. Its revenue growth could further accelerate with its recent foray into secured auto loans.

The stock is currently trading 11 times its 2020 earnings, which is notably cheaper than its historical average. The stock might continue to rally, given its improved growth prospects and attractive valuation.

## Restaurant stocks in focus

As economies are gradually re-opening, consumer stocks like **MTY Food Group** (TSX:MTY) are showing signs of recovery. It is an $800 million company that franchises and operates quick-service restaurants in almost 40 countries.

Hospitality is one of the worst-affected industries by the pandemic. Even if restaurants might not see substantial footfall immediately, I expect a quicker recovery than many pessimists anticipate.

What's interesting about MTY is its superior topline growth. Its revenues have grown by more than 40% compounded annually since 2015, much higher than peers.

Notably, MTY stock halved during the COVID-19 market crash. It is currently trading at a price-to-earnings valuation of 10 times, lower than its historical average.

## Stable dividends to generate a passive income stream

While utility stocks might seem boring, they are highly effective amid broad market uncertainties. **Hydro One** (TSX:H) is one such utility that generates stable earnings mainly due to its pure-play regulated operations.

Hydro One does not involve in power generation and operates as a transmission and distribution company, preventing big capital investments and ultimately rendering it a comparatively safe bet. It prominently operates in Ontario.

It is currently trading at a dividend yield of 4%, higher than TSX stocks at large. Hydro One had a payout ratio of 73% in the last fiscal year, close to the industry average. Utilities generally pay a large chunk of their earnings to shareholders in the form of dividends.



Hydro One aims for a 5% dividend increase per year for the next few years, which is in line with the peers.

The stock has recovered almost 50% since the epic sell-off in March. Interestingly, the stock does not appear too stretched from the valuation perspective.

Hydro One's earnings stability and a juicy dividend yield could go a long way amid rising broad market volatility.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:GSY (goeasy Ltd.)
2. TSX:H (Hydro One Limited)
3. TSX:MTY (MTY Food Group)

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