



Top TSX Stocks: Where to Invest \$6,000 Now

Description

While the stock market has largely recovered from its big tumble in March, some stocks are still potentially undervalued. In particular, some top TSX stocks are attractively priced for long-term investing.

Of course, we could still see further damage in the stock market. We're certainly not out of the woods when it comes to the global pandemic, and economies will be feeling the effects.

However, long-term investors can look past potential short-term hiccups and find great value plays for the long run. To do so, however, they must invest in high-quality, blue-chip stocks.

Today, we'll look at two top TSX stocks that investors should be able to hang their hats on for the long run.

Bell

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is the holding company for Bell MTS and Bell Canada. The company offers various media, internet, TV, and mobile phone services to customers across the country.

Just recently, BCE expanded its reach through some media acquisitions in Quebec. The company continues to be an industry leader in terms of infrastructure and network.

BCE is part of the Big Three mobile service providers in Canada. It recently announced it would partner with Nokia to deliver 5G services to Canadians later this year.

The introduction of [5G](#) should help BCE offset the damage of mandated price cuts to its mid-range phone plans.

This top TSX stock has long been a favourite among [dividend](#) investors. It's clear to see why, given that back in February, the company managed to hike its dividend by 5%.

As of this writing, BCE is trading at \$57.16 and yielding 5.83%. This puts its yield above the five-year average.

It's important to note this top TSX stock was trading as low as \$46.44 on March 23, but was as high as \$63.59 as recently as March 4. So, the current price offers a rather reasonable entry point for long-term dividend investors.

An investment of \$3,000 in BCE could turn into nearly \$25,000 in a TFSA in 25 years. This is assuming modest annual growth rates in both the dividend and share price. Of course, real results can vary, but there's no denying the power of compounding with BCE's 5.83% yield.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is another major Canadian telecom company. It offers various internet, media, mobile phone, and even healthcare services to customers.

In terms of the release of 5G, Telus is partnering with both Nokia and Ericsson to deliver its 5G services later this year. With that, Telus hopes to continue its customer-first approach and offer Canadians premier 5G services.

Like with BCE, Telus has not been immune to the swings of the market. This top TSX stock was over \$27 in mid-February and dipped below \$20 in mid-March.

At the time of writing, Telus is trading at \$23.20 and yielding 5.02%. Given Telus's yield exceeds the five-year average, this current price could be a decent entry point for long-term investors.

An investment of \$3,000 in this top TSX stock could turn into nearly \$20,000 in a TFSA in 25 years. Once again, this is assuming very modest annual growth rates for both the share price and yield.

Combined with the hypothetical \$3,000 investment in BCE, the total investment of \$6,000 could turn into nearly \$45,000 in 25 years.

Top TSX stock strategy

Beyond their great yields and solid growth prospects, BCE and Telus are top TSX stocks because of their stability. Both are sporting relatively healthy balance sheets at this time, and both can afford to cover their dividends with cash flow quite comfortably at the moment.

For investors looking for top TSX stocks to invest \$6,000 in, BCE and Telus are both worth consideration.

CATEGORY

1. Dividend Stocks
2. Investing
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2. NYSE:TU (TELUS)
3. TSX:BCE (BCE Inc.)
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jagseguin

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