



Where to Invest Your Leftover CERB Money

Description

The Canada Emergency Response Benefit (CERB) has been an important program for Canadians.

It was impressive work by the government to get money in the hands of Canadians rather quickly to help stave off economic disaster.

Tonnes of Canadians have been impacted by the fight against coronavirus. In some cases and in some industries, many have lost their jobs as we all fight to slow the spread of this highly infectious virus.

Some of the worst-hit industries — restaurants, hospitality, and entertainment — have seen mass layoffs, resulting in unemployment skyrocketing.

For Canadians who have been impacted, the CERB is crucial to help bridge the gap during these tough times.

For some, though, after paying your essentials and saving some cash on the sidelines for tax, you may have some extra money you can set aside.

You may want to consider taking this additional money and buying **TSX** stocks.

Consider using leftover CERB payments to invest

One of the top TSX stocks to buy today is a company like **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)).

As its name suggests, Algonquin derives its income from two primary sources: utilities and power generation. These are two essential industries, which is what makes Algonquin such a great defensive investment.

The stable and defensive nature makes the stock ideal for investors looking to invest some leftover

CERB money [in this environment](#).

However, unlike other defensive investments, Algonquin will have significant long-term share appreciation potential.

This is due to its power generation segment, which is mostly made up of renewable energy assets, and, at the moment, accounts for just 33% of Algonquin's business.

Renewable energy is a rapidly growing industry. As costs have come down, and more governments are mandating higher green energy consumption, there is a huge opportunity for growth over the next decade.

So, on top of knowing that an investment in Algonquin should continue to pay you a nice dividend, you also know that long term, the stock has the potential for considerable capital gains.

As of Wednesday's close, Algonquin trades for just over 18 times earnings and offers a 4.4% dividend. That's pretty good value for such a top long-term investment, making it an ideal place to invest any leftover CERB money you might have.

Another top TSX stock to consider

Another option to consider would be investing in a TSX gold stock such as **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)).

Part of the reason why gold is such an attractive investment has to do with programs like CERB existing in the first place.

Governments around the world have had to print massive sums of money to help stimulate their economies. This is the perfect catalyst for gold prices to increase. That's why buying one of the top [gold stocks](#) on the TSX makes sense today.

Kinross, specifically, is one of the top options for investors who may have extra CERB money lying around today. The company has extremely low-cost operations across its seven mines. This gives it considerable leverage as gold prices rise.

In the first quarter of 2020, Kinross sold 8% less gold than in 2019. However, because the average realized price of \$1,581 an ounce was 21% higher than in 2019, the net effect was a 13% increase in revenue.

Kinross managed to turn that 13% increase in revenue into a 43% increase in earnings per share and a whopping 75% increase in free cash flow per share.

It's worth noting that some of the increase was due to lower taxes in the first quarter of 2020. However, it still demonstrates the earnings power top TSX gold stocks have as the price of gold continues to rise.

Bottom line

The CERB is first and foremost to help Canadians stay on their feet during this unprecedented time.

However, if you find yourself in the fortunate situation of having leftover CERB money each month, you should consider investing it in top TSX stocks.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:K (Kinross Gold Corporation)

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