



## Market Rally: 3 Top TSX Stocks to Buy Today With \$1,000

### Description

Despite the economic downturn, **TSX** stocks continued to march higher. Canadian broader markets are up almost 40% in the last three months, demonstrating one of the most epic recoveries on record.

In the current market scenario, I think more focus will be on defensive stocks. Thus, investors can consider these top TSX stocks that are safe bets in bullish as well bearish markets.

### Top TSX stocks: Saputo

Top Canadian dairy processor **Saputo** ([TSX:SAP](#)) is well placed amid this COVID-19 crisis. It is among the top three cheese producers in the United States. Along with Canada, the U.S., and Australia are some of the biggest markets for this dairy manufacturer.

In the recently reported quarterly earnings, the company reported an income decline of 21%, mainly due to lower demand during the quarter.

Saputo's diversified revenue base and a leadership position play out well for its earnings stability. The company plans to grow organically as well as through acquisitions. It is a safe bet for investors, given its slow stock movements and non-cyclical nature of the business.

Saputo stock has been trading range-bound mainly after the COVID-19 crash. It is currently trading at a forward price-to-earnings ratio of 19 times, lower than its historical average.

Saputo's earnings stability and a discounted valuation make it an attractive investment bet for long-term investors.

### Waste Connections

Waste-related services provider **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)) is another stock to own in any kind of market. It is the third-biggest waste management company in North America.

It has managed a relatively superior financial growth in the last few years, despite being in a slow-growing industry. Its focus on niche markets and rural areas have played out well in all these years.

A \$32 billion Waste Connections is a fundamentally strong company, and its [recession-resilient](#) cash flows make it a relatively safe bet for investors.

Waste Connections stock has returned almost 110% in the last five years, notably outperforming the **TSX Index**.

The stock looks to be trading at a premium after its recent rally. Conservative investors can wait for a pullback or consider buying in more than one portion.

## Dollarama

The retail giant **Dollarama** ([TSX:DOL](#)) is my third pick investors to consider in these uncertain markets. A \$14 billion retailer owns and operates more than 1,300 stores in Canada.

In the recently reported quarter, Dollarama posted higher revenues year over year, even when 104 of its stores were closed due to the pandemic.

Dollarama's superior earnings growth drove its stock notably higher in the last few years. Its net income growth averaged around 13% in the last five years, which more than doubled its stock.

While the recent broad market weakness weighed on the Dollarama stock, it was relatively [quick to recover](#). The stock looks fairly valued after its recent rally.

I think Dollarama is an attractive pick for long-term investors. Its unique value proposition, solid geographical presence, and cost advantages due to its long-standing supplier relations make it stand tall among peers.

### CATEGORY

1. Coronavirus
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:DOL (Dollarama Inc.)
3. TSX:SAP (Saputo Inc.)
4. TSX:WCN (Waste Connections)

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### Date

2025/07/21

### Date Created

2020/06/23

### Author

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