



3 Top TSX Stocks for Beginners to Buy in July

Description

The year 2020 is indeed one of the most volatile for equities in decades. Interestingly, investors should brace themselves for more volatility ahead, given the aftermath of the pandemic and the U.S. presidential elections in November. However, beginners should see these wild price swings as an attractive opportunity for long-term investments.

Let's look at top **TSX** stocks that are relatively safe and offer a decent return potential for the long term.

Bank of Nova Scotia

The third-biggest bank in the country, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), is one of the best attractive picks for long-term investors.

It has been in operations for centuries and has seen several economic downturns in the past. It has emerged stronger after each downturn and will likely repeat that amid the ongoing bad phase as well. Scotiabank's high-quality credit portfolio, deposit growth, and diversified earnings base will support a relatively faster recovery.

Scotiabank stock currently yields 6.5%, notably higher than TSX stocks at large. If one invests \$1,000 in BNS stock, they will make \$65 in dividends every year. Investors can expect to increase these dividends annually based on historical trends.

Investors should note that Scotiabank has been paying [dividends](#) for the last 187 straight years. Such a long payment history indicates stability, which is highly valuable in these uncertain times.

Pandemic-driven weakness could weigh on BNS stock in the short term. However, it should outperform peers fueled by its superior dividend yield and discounted valuation.

Kirkland Lake Gold

Top gold miner **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) has created [significant wealth](#) for its shareholders in the last few years. In the last three years, it has returned 600%, notably beating peers.

Kirkland's gold production notably increased in the last few years. Higher realized gold prices, particularly since mid-last year, uplifted its profits.

Kirkland runs two low-cost, high-quality gold mines — the Macassa Mine in Ontario and Fosterville Mine in Australia. With its acquisition of Detour Gold, the gold miner has added a sizeable mineral reserve base, which should also enable higher production.

Interestingly, despite a steep surge in the last couple of years, Kirkland stock has underperformed peers this year and looks attractively valued. Expected higher prices of gold and higher production should continue to boost its earnings for the next few quarters, ultimately boosting shareholders' returns.

Rogers Communications

The country's second-biggest telecom company, **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)), is another lucrative bet for long-term investors. It has recovered almost half of what it lost during the COVID-19 crash and is fairly valued.

It generates revenues from multiple sources like wireless operations, media, and cable business. The pandemic impacted Rogers's financials during the first quarter of 2020. However, with telecom being its biggest segment, the company will likely recover faster.

Rogers is currently trading at a dividend yield of 3.6%, close to that of TSX on average. It has managed to grow dividends by approximately 2% compounded annually in the last five years.

Emerging 5G technology will open up a range of opportunities for several industries. Interestingly, Rogers is at the forefront to launch the 5G in Canada, well ahead of peers.

Bottom line

These TSX stocks offer attractive dividends and handsome upside potential. Their attractive valuations make them nothing short of a steal at the moment.

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1. Dividend Stocks
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