3 TSX stocks to Buy Today if You Have $1,000

Description

Many investors got hammered with **TSX** stocks' enormous volatility this year. While coronavirus waning still seems like a distant dream, markets have continued to soar higher recently. Canadian broader markets have soared around 45% since record lows in March.

Let's see how long-term investors can stay safe amid these uncertain markets.

Algonquin Power & Utilities

Utility stocks are less volatile compared to broader markets. Their stable dividend payments and slow stock movements play well amid market uncertainty. **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) beats larger utility peers on several fronts.

Though utilities at large generally grow very slowly, Algonquin has shown a superior earnings growth in the last few years. The company serves the rate-regulated natural gas, electricity, and water utility services to more than 758,000 customers.

Algonquin currently yields 4.5%, higher than **TSX** stocks at large. It intends to increase dividends by 7% per year for the next few years.

Algonquin stock could remain strong mainly due to its earnings and dividend stability.

The stock currently looks a tad expensive compared to its historical valuation trends. However, its premium yield and ability to outperform in uncertain times justify the premium to some extent.

Shaw Communications

A $12 billion company **Shaw Communications** (TSX:SJR.B)(NYSE:SJR) could be another smart pick in these volatile times. It pays monthly dividends and yields almost 5% at the moment. That means a $10,000 investment Shaw stock would generate $500 per year or $42 per month in dividends.

The communication company functions with two verticals: wireless and wire line-consumer. While its traditional cable and home phone business provides stability, relatively new wireless operations with Freedom Mobile offers attractive growth prospects.

In the recently reported quarter, the company posted a marginal revenue decline, but its profits plunged more than 45% compared to the same period last year.

Shaw Communications stock has soared almost 40% since its record lows in March. Interestingly, the stock looks attractive from the valuation standpoint despite the rally.

Its earnings stability, juicy yield, and discounted valuation make it an attractive bet for long-term investors.

AltaGas

Among the three TSX stocks discussed here, **AltaGas** (TSX:ALA) offers the highest yield of 6%. It is a $4.5 billion energy infrastructure and the utility company that generates most of its revenues from regulated operations.

Its non-cyclical nature of the business provides stable earnings, even during economic downturns, and makes it a safe bet for long-term investors.

Its net income last year increased by a handsome 66% compared to 2018. Analysts expect above-average earnings growth this year as well.

AltaGas stock has fallen almost 20% in the last 12 months and looks attractive from the valuation perspective. Based on analysts' earnings estimates, AltaGas stock is currently trading 13 times its 2020 earnings. This looks incredibly cheap against peers as well as against its historical estimates.

Notably, AltaGas' discounted valuation indicates that the downside from here could be limited. Its premium dividend yield and visible payout growth make it stand tall among defensive stocks.

CATEGORY

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3. TSX:ALA (AltaGas Ltd.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:SJR.B (Shaw Communications)

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