



3 Top TSX Stocks for New Investors to Buy in August

Description

The recent volatility in Canadian broader markets might be bothering some new investors. However, not all **TSX** stocks are experiencing wild swings. Some high-quality names are notably stable and offer handsome upside potential. So, if new investors are sitting on some cash, consider these safe TSX stocks amid these uncertain times.

Top TSX stocks: Great-West Lifeco

A \$22 billion financial services company, **Great-West Lifeco** ([TSX:GWO](#)) is going through a challenging period these days. The stock is still trading 30% lower to its pre-pandemic levels and thus could be an opportunity for long-term investors.

What's striking is its handsome dividends. It is currently trading at a dividend yield of 7.3%, more than double the TSX average. That means if one invests \$10,000 in Great-West stock, they will generate \$730 in dividends per year. Interestingly, it has managed to raise its dividends by 6% compounded annually in the last five years.

Great-West is a leading life and health insurance company and serves more than 31 million customers across the globe. The pandemic has significantly impacted businesses worldwide, and Great-West is no exception.

Near-term challenges might dominate the stock. However, it is relatively better placed and has a limited downside, given its attractive valuation.

The stock is trading at a large discount and looks nothing short of a steal, particularly with those superior dividends.

BCE

Telecom is a classic defensive sector that remains relatively stable in market downturns. **BCE** ([TSX:BCE](#))

)([NYSE:BCE](#)), the biggest telecom company in the country, is an attractive pick at the moment.

TSX stock BCE is trading at a reasonable valuation, despite recovering major ground since its March lows. It is currently trading at a dividend yield of 6%, notably higher than TSX stocks at large.

BCE's wireless segment — its core business, will likely see enormous growth in the next couple of years with [emerging 5G technology](#). Along with wireless, its diverse operations in media, wired-internet, and TV services segments offer stability and growth.

Algonquin Power & Utilities

The current macroeconomic environment is more suitable for utility stocks. Lower interest rates make utilities' dividends all the more attractive for income investors. Lower rates also increase their profitability with lower debt-servicing costs.

Here's one top utility stock investors can consider: **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). It is relatively a faster-growing company and yields nearly 5%, higher than many top utility stocks.

The stock has created [massive wealth](#) for its shareholders, driven by its relatively faster earnings growth. Interestingly, investors generally go with utilities for stability. However, Algonquin has been a one-stop solution for stability, dividends, and even growth.

In the last decade, top TSX stock AQN returned more than 600%, notably beating Canadian broader markets. A \$10,000 investment a decade back, would have accumulated \$70,600 today.

These three top TSX stocks offer stable passive income as well as decent growth prospects. The diversification offered by these three, along with their handsome dividends, will create a sizable reserve over the long term.

CATEGORY

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BCE (BCE Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BCE (BCE Inc.)
5. TSX:GWO (Great-West Lifeco Inc.)

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