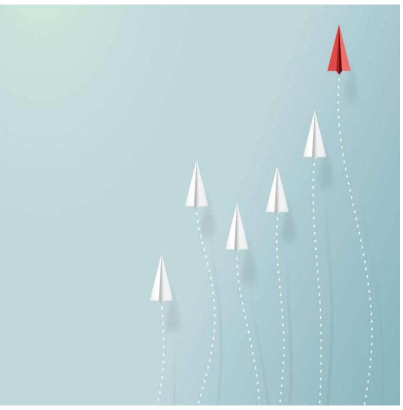

3 Top TSX Stocks for Beginners to Buy in August

Description

The volatility in **TSX** stocks has been brutal this year. Even market experts were awed with the large swings and the subsequent surprising recovery amid the pandemic. But what if one has a rock-solid portfolio that grows in bullish markets and stays resilient in market downturns?

Let's see some of such TSX stocks that can play well in all kinds of markets.

goeasy

A popular consumer lender **goeasy** (TSX:GSY) has managed a notable growth for the last several years and will likely weather this crisis as well. As the pandemic has resulted in record unemployment, goeasy could see higher demand than usual. This might also lead to more defaults, thereby putting a dent in its bottom line.

However, analysts look positive for its second-quarter earnings, which will be released next week. This consumer lender has managed to grow its revenues by 13% compounded annually in the last two decades. Interestingly, the top-line growth even more effectively translated to its bottom line, with its net income growing by 23% compounded annually.

This superior financial growth drove its stock in all these years. GSY stock has risen more than 250% in the last five years, outperforming Canadian broader markets by a huge margin.

Despite its recent uptrend, goeasy stock is still trading 30% lower to its pre-pandemic levels and looks attractively valued. Its decent growth prospects and handsome dividends make it nothing short of a steal at current levels.

Premium Brands Holdings

Specialty food manufacturer **Premium Brands Holding Corp**. (TSX:PBH) is another stock investors can consider right now. It has seen a consistent rise since the epic COVID-19 market crash in March.

The stock has soared 50% since then and looks to be trading at a premium valuation.

Premium Brands' Specialty Foods segment offers convenience and lifestyle, mostly to niche markets. Thus, consumers are more brand loyal and facilitate higher margins along with lower competition. Premium Brands owns and operates popular brands like Audrey's, Conte Foods, Deli Chef, Freybe, Expresco, Ready Seafood, etc.

The virus outbreak will likely dent its financials due to lower demand and factory closures. However, its extensive product range and diversified operations might prompt a faster recovery.

Premium Brands stock yields 2.4%, lower than **TSX** stocks at large. It has managed to increase dividends by 11% in the last five years.

The stock looks expensive and is a riskier bet for conservative investors. However, its growth prospects and stable dividends are attractive and will likely outperform peers in the long term.

Emera

Both of the above stocks are growth focused. Thus, utilities—a defensive sector—will better balance the portfolio risk and will also take care of the sector diversification.

Investors can consider a top utility stock **Emera** (TSX:EMA). It operates as a regulated electricity and natural gas utility. Regulated operations enable stable cash flows, which ultimately facilitates stable shareholder payouts.

Emera stock yields 4.5% at the moment, which is higher than that of Canadian broader markets. Economic cycles do not generally influence utilities' earnings. Thus, even in recessions, they generate stable earnings and pay stable dividends.

The stock is trading 10% lower to its pre-pandemic levels and looks fairly valued. Emera is an apt pick for fair earnings growth, handsome dividends, and stability in the current market scenario.

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TICKERS GLOBAL

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2. TSX:GSY (goeasy Ltd.)
3. TSX:PBH (Premium Brands Holdings Corporation)

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