



TSX Stocks: 2 Clear Winners After Earnings Season

Description

Earnings season is always important for investors. It gives an update into how **TSX** stocks have performed, and what the management teams of those companies are planning to do in the future.

Because of the major announcements companies make during their earnings releases, stocks tend to be most volatile during the few days leading up to and after the numbers come out. This makes it highly important to pay attention to how your companies are doing.

This year, however, it has even more significance. And of all the quarters during the pandemic that companies will report earnings, this may be the most important one.

For many businesses, the full impact of the pandemic and the shutdowns wasn't realized until the second quarter. So, these earnings are likely the most important for getting an understanding of how businesses will fare in these unprecedented times.

Because of this, investors should stick to TSX stocks that have been able to perform well so far.

These two businesses have proven to be top picks during the pandemic, providing both protection and growth potential for your hard-earned capital.

TSX telecom stock

The first stock is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). BCE is a massive telecom that's a great defensive stock for investors. If you are looking for a stock that will see only minimal impact, I would consider BCE, despite the hit its profit took in the second quarter from [COVID-19](#).

The pandemic's impact on businesses can happen in two ways. First, it can impact profits today, which is what we see in the case of BCE. However, second, and more impactful, is the influence it could have on many companies' ability to grow in the future.

With BCE, while there has been some impact on profits today, management is not reducing its growth

capex for the year. This shows that BCE is resilient enough to absorb these short-term profit hits, and management is committed to BCE's long-term growth strategy.

That is precisely why BCE is a top stock to own, especially through these uncertain times.

Not to mention, the company is a major cash cow and earns tonnes of free cash flow. This allows it to pay out its highly attractive dividend, which yields roughly 5.8%.

That's a massive dividend rate in today's low-rate environment. And with the combined stability of BCE's financials, it's easily one of the safest stocks to buy on the TSX today.

TSX gold stock

Besides high-quality large caps that have defensive operations, other stocks that have performed well are TSX gold stocks. Gold prices have been increasing rapidly, so it's not surprising that the stocks have been seeing a massive increase as well. One of the top performers has been **B2Gold** ([TSX:BTO](#))(NYSE:BTG).

While all these gold stocks have been seeing higher prices, the ones with lower production costs see the biggest increase in profitability. This is precisely what's happening with B2Gold at the moment.

In the second quarter, [B2Gold](#) nearly doubled its free cash flow from the first quarter. Plus, the TSX gold stock just increased its dividend by 100%. If that's not impressive enough, that's the second time B2Gold has doubled its dividend this year.

The dividend yield is still relatively low, at 2.6%. However, that's impressive for a TSX gold stock. Plus, it shows just how much its profitability is improving.

Another impressive fact about B2Gold is it currently has no net debt. So, with very little risk and a tonne of growth potential, it seems as though this TSX stock is a no-brainer buy.

Bottom line

In today's environment, before you buy any stock, it's important to understand how the company is being affected and what the future looks like moving forward.

This way, you'll avoid any unpleasant surprises and stick to winners such as these two TSX stocks above.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)

2. NYSEMKT:BTG (B2Gold Corp.)
3. TSX:BCE (BCE Inc.)
4. TSX:BTO (B2Gold Corp.)

PARTNER-FEEDS

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