



Got \$500? Consider These 3 TSX Stocks That Could Soar Post-Pandemic

Description

Things looked terrible for global stock markets back in March this year. However, they eventually recovered and marked some of the greatest upturns on record. Similarly, when we talk about the pandemic in five years from now, **TSX** stocks will be at new peaks, and the virus will just be a distant memory. Here are my top stock picks for that day.

Top TSX stock: Air Canada

Air Canada ([TSX:AC](#)) stock has been trading in a narrow range between \$15 to \$18 for the last three months. Notably, its nasty [second-quarter earnings](#) and recently extended travel restrictions also could not breach those levels. This indicates that the stock has already hit the bottom and might be ready for a recovery.

Air travel demand might take a couple of years' time to reach its pre-pandemic levels. However, Air Canada stock will likely reach some respectable levels much earlier than that possibly, once it starts operating with higher capacity.

This will lower the cash burn rate and stabilize the top line, which is of utmost importance for its financial health at the moment. Travel restrictions will likely ease in October. Its rising debt could concern investors. But at the same time, Air Canada stock's current valuation might attract some discerned investors.

The flag carrier has seen such crises in the past and has only emerged stronger. Interestingly, its leading market share and operational efficiency will likely fuel its recovery in the post-pandemic environment.

Top TSX stock: Suncor Energy

Investors who want to bet on the Canadian energy space can consider **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). The legendary investor Warren Buffett-led **Berkshire Hathaway** also increased its stake in

this integrated energy giant in the second quarter of 2020.

Energy markets at large have been highly volatile and unpredictable in the last few years. The pandemic even worsened the situation, which shoved crude oil into negative territory in April this year. However, oil will likely reach some decent levels after things normalize post-pandemic.

Suncor Energy seems well positioned to make a strong comeback with its sizable downstream operations. It owns and operates more than 1,500 retail and wholesale fuel outlets in North America. Once the pandemic wanes and business activities normalize, Suncor's downstream operations will likely improve its financials.

Suncor Energy pays secured dividends that yield 4%. The stock has lost almost 55% so far this year. Its discounted valuation and a stable yield could be of particular interest for bargain hunters.

Top TSX stock: Toronto-Dominion Bank

At \$117 billion, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is the second-biggest bank by market cap in Canada. It reported some of the highest provisions for credit losses during the third quarter among peer six big banks. However, despite those higher provisions, the bank managed [decent earnings growth](#) compared to the prior quarter.

Importantly, Toronto-Dominion Bank's diversified earnings base could play a vital role in its recovery. Its growing presence south of the border will likely bring much-needed business growth in the post-pandemic world.

Notably, TD stock is up more than 55% since its record lows in March. It is still among some of the discounted stocks on the TSX. It offers a dividend yield of 5%, higher than that of TSX stocks at large. Additionally, it has been paying dividends for the last 163 consecutive years.

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