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

Description

Forget the market crash. Valuation concerns and pandemic-driven uncertainties might lead to a correction, but a crash seems unlikely. We have seen a steady recovery on the economic front in the last three to four months. Corporate earnings growth in the second quarter has been above expectations, which paints an optimistic picture. So, here are three top **TSX** stocks that could continue their uptrend, despite the uncertainties.

Brighter than gold

Wheaton Precious Metals (TSX:WPM)(NYSE:WPM) is a better stock for long-term investors to play the gold rally. It's a $30 billion streaming company that has seen a significant boost in its earnings on the back of higher gold prices.

Streamers like Wheaton do not own or operate mines directly and avoid significant capital investment. They offer an upfront payment to miners and buy all or a portion of precious metals produced from those mines. This is a relatively low-risk, high-margin business proposition against the traditional miners.

The yellow metal prices could continue to soar higher, driven by the gloomy economic outlook this year. Wheaton investors can enjoy higher precious metals prices with a much lower risk profile against a traditional mining company.

Wheaton stock is up more than 70% so far this year, outperforming gold miners at large. Notably, the stock is overvalued after the rally. However, given the positive outlook for gold and Wheaton's better risk/reward prospects, investors might turn to this streamer.

Canada's top consumer lender

Top consumer lender **goeasy** (TSX:GSY) has soared more than 200% since its record lows in March. Its second-quarter of 2020 earnings exceeded expectations, which further fueled its rally.

A growing market of underserved subprime borrowers and rising geographical presence should further drive growth in the next few years. However, higher defaults and a weaker economic environment might weigh on goeasy.

goeasy stock currently offers a dividend yield of around 3%. It has managed to grow its per-share earnings by 24% compounded annually, which is a noteworthy achievement in a relatively riskier industry.

goeasy stock is currently trading at a price-to-earnings multiple of 12 times, lower than its historical average. With superior long-term growth prospects and consistent dividends, goeasy stock is an attractive pick for bargain hunters.

One of the top TSX tech stocks

Top tech stock **Kinaxis** (TSX:KXS) is one of the top gainers this year with an almost 90% surge. Kinaxis provides cloud-based software that helps customers improve their supply chain management.

Notably, the company has a large addressable market with the globalization of supply chains and competitive pressures. Also, the company could see higher demand in the next few quarters, as the pandemic has disturbed the global supply chain.

After such a steep rally, Kinaxis stock looks expensive from the valuation front. However, tech stocks generally trade at a premium. They generate higher profit margins and offer better growth prospects. Thus, investors are normally willing to pay higher valuation multiple for tech stocks.

TSX tech stocks like Kinaxis have exhibited a notable weakness recently after their rally in the last five months. However, that doesn’t change tech stocks’ fundamentals and should be seen as an attractive investment opportunity.

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2. TSX:GSY (goeasy Ltd.)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:WPM (Wheaton Precious Metals Corp.)

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