3 Top TSX Stocks of the Last Decade to Hold for the Next Decade

Description

The stock markets witnessed one of the longest bull rallies of all time in the last decade. The pandemic has halted the surge, and many fear another crash like the one we saw in March very soon. However, I think a correction is more likely than a crash at this point. **TSX** stocks at large are very close to their pre-pandemic levels.

Let's discuss three top Canadian stocks that stood out in the last decade and are also well placed to outperform in the next one.

Air Canada

The flag carrier airline **Air Canada** ([TSX:AC](#)) stock was among the top gainers in the last decade. It returned approximately 3,700%. During early 2010, Air Canada was struggling with lower air travel demand on the back of the then financial disaster. Many so-called market experts daydreamed about its bankruptcy. However, it notably outperformed in the next few years.

The situation is somewhat similar in 2020. Air Canada is grappling with numerous challenges amid an even more terrible crisis — coronavirus — these days. It is operating with 10-20% of its capacity and burning a sizeable cash every day. The government aid seems unlikely at least for now, and the situation could become more dire if the pandemic lasts longer than expected.

However, despite the odds, I think Air Canada will emerge stronger after the crisis. The pandemic-driven challenges have impacted the entire global aviation sector, and not just Air Canada. The country's biggest airline has the [liquidity](#) to weather the crisis. Its operational efficiency and leading market share will certainly not wane amid the pandemic and will play a bigger role in its recovery.

Constellation Software

Canadian tech giant **Constellation Software** ([TSX:CSU](#)) might not seem as jazzy as **Shopify**, but its performance definitely stood out. In the last 10 years, it's returned more than 4,000%, including

dividends.

A $32 billion Constellation Software acquires smaller tech companies and maintains a large portfolio of software. Notably, it earns around two-thirds of its revenues from public sector customers. Its experienced management and consistent above-average profitability have notably differentiated itself from peers. The company's 2020 earnings so far have shown that it is comparatively resilient to the pandemic.

The company continues to see above-average growth for the next few years with its unique business model. Interestingly, it is a low-risk stock in the high-growth technology space.

Kirkland Lake Gold

Gold miners are cyclical stocks and have a high correlation with broader markets. However, Canadian miner **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) absolutely thrashed broader markets in the last decade. It's returned 6,700% since 2010, while the TSX Index embarrassingly returned a mere 40%.

Kirkland Lake added high-quality mines during the decade that significantly boosted its production. Higher realized gold prices since late 2018 notably uplifted its earnings.

A bullish outlook for gold will likely continue to push gold miner stocks higher, at least in the short term. Additionally, its highly efficient Macassa, Detour Lake, and Fosterville mines are expected to facilitate superior production growth in the long term.

Bottom line

Any of these three TSX stocks would have made close to million dollars in the last 10 years with an investment of $25,000. Interestingly, these stocks still seem to have steam left. Long-term investors can consider adding them to their portfolios before their prices soar in the post-pandemic rally.

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