TSX Stocks: 3 Canadian Blue-Chips to Buy Amid the Recent Market Weakness

Description

Investors unnecessarily complicate long-term investing. Businesses that have been around for decades, that have emerged through crises, and that pay handsome dividends are generally apt for your long-term investment portfolio. I don't see a point in losing sleep by betting on some small-cap stock just to achieve somewhat higher returns.

TSX stocks at large have notably fallen in the last few weeks. Some of the Canadian blue-chips have fallen more than broader markets and look attractive at the moment. Those who are sitting on cash can consider adding these top TSX stocks amid the recent weakness.

Royal Bank of Canada

Shares of the country's biggest bank **Royal Bank of Canada** (TSX:RY)(NYSE:RY) have fallen by almost 8% in September. Although banking will continue to remain under pressure for the next few months, Royal Bank's high-quality loan portfolio will likely drive a relatively faster recovery. Its scale and diversified earnings base also make its stand tall among peers.

Royal Bank's fiscal third-quarter earnings were relatively better compared to peers. Its exposure to the vulnerable sectors is relatively lower, and its earnings might not take a significant hit.

Royal Bank stock currently offers a dividend yield of 4.6%, higher than TSX stocks at large. Its consistently growing dividends will play a big role in driving total returns over the long term.

Royal Bank stock does not look expensive at this point. However, further weakness also can't be ruled out completely. Thus, long-term investors can consider adding this top bank stock in slices.

Algonquin Power & Utilities

While almost the entire Canadian stock market was selling off recently, utility stocks like **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) were strong. This is actually the strength of utilities. Their lower correlation with broader markets plays well in uncertain markets.

Algonquin was comparatively faster to recover since March 2020. Its earnings visibility facilitates dividends stability. It yields almost 4.3%, higher than many of its peers.

Utilities are generally slow-growing stocks, and dividends are the main source of returns for long-term investors. However, that's not the case with Algonquin. Its above-average earnings growth has driven the stock in the last few years. With dividends, Algonquin has returned almost 600% in the last 10 years, notably outperforming peers.

Enbridge

Top Canadian pipeline company **Enbridge** (TSX:ENB)(NYSE:ENB) stock has fallen more than 10% so far this month, underperforming the **TSX Index**. It is currently trading below $40 levels, close to its six-month lows.

Enbridge stock has been lacklustre almost throughout this year. Overall gloomy outlook for energy markets and legal troubles related to some of its key pipelines have weighed on the stock.

However, I think Enbridge will recover faster than the rest. Its quarterly results indicate a better financial position, which will help weather the crisis.

Its matchless network of pipelines and scale provide a significant competitive advantage and are very hard to replicate. Enbridge transports 25% of the oil and 20% of North America's total natural gas needs.

It is currently trading at a yield of 8%, some of the highest among Canadian blue chips. Enbridge should attract bargain hunters at the moment considering its solid dividend profile and a recent stock weakness.

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