Generate Wealth and Balance Risk With These 3 Top TSX Stocks

Description

It's going to be a rough November, with the potential for the markets to be completely upended. Extreme tension is being created by both the pandemic and the upcoming U.S. election. But a simple long-term strategy could help investors to continue growing wealth. Today, we will look at two key stocks that investors can counterbalance for a combination of defensiveness, dividends, and share price growth.

Restaurant Brands International (TSX:QSR)(NYSE:QSR) might not be to Warren Buffett's taste anymore. However, it's become a hit with other investors. One buying strategy that directly involves Restaurant Brands is the vaccine rally thesis. It's the same line of thinking that sees upside in names such a **Cineplex** and **Air Canada**. And it's one of the more defensible flavours of contrarianism to appear during the pandemic.

Balancing growth stocks with safety

Now, it should also be noted that 2020 saw **Berkshire Hathaway** swapping out such names as the Tim Hortons owner for gold. It was an insightful about-face, with plenty for investors to pick over. Sitting on a sizable stake in **Barrick Gold** (TSX:ABX)(NYSE:GOLD), Buffett is playing it safe. Not that there's anything wrong with that. Indeed, gold is a primary safe-haven asset — even the bizarre events of this year haven't changed that.

Indeed, it's becoming fashionable in some circles to knock the Oracle of Omaha's recent decision making. However, would-be shareholders in the fast-food umbrella company should be wary. Analysts have been talking lately about capacity destruction. Some sections of the economy are already on the ropes, with some businesses already crippled — likely for good. Another quarantine period will extend the rot.

So, while Restaurant Brands has been able to muddle through 2020, a second round of lockdowns won't be good for its bottom line. A barbell strategy might be a good fit here, therefore. Shorter-term recovery growth can be counterbalanced by longer-term safety with a pinch of passive income. This can achieved in this instance by mixing some of the growth potential of Restaurant Brands with a gold investment.

Go for gold and add some passive income

Newmont (TSX:NGT)(NYSE:NEM) satisfies a dividend gold stock thesis while paying a larger yield than the aforementioned Barrick, itself paying a 1.1% yield. One of the key points with Newmont is that it pays a richer 1.6% dividend. However, Newmont's price-to-book ratio of 2.2 now clocks in a little higher than Barrick's 2.18. Seeing these two stocks reach parity in this intrinsic value indicator is indicative of the huge appetite for gold stocks driven by the pandemic.

Indeed, Newmont's share price performance has been a little better than Barrick's over the last 12 months, accounting for the steeper valuation. Having gained 53% since last fall, Barrick has been pipped to the post by Newmont. The latter stock has seen its share price climb by 58%.

Balancing either of these gold stocks will help balance out the risk of an investment in Restaurant Brands. Pairing these two asset types brings the richer 3.5% dividend yield and growth prospects of the fast-food name with a classic defensive play.

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1. Dividend Stocks
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TICKERS GLOBAL

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2. NYSE:NEM (Newmont Mining Corporation)
3. NYSE:QSR (Restaurant Brands International Inc.)
4. TSX:ABX (Barrick Mining)
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