2 Top TSX Stocks You Can Buy With $200

Description

If you are looking for top investment options, I bring you two TSX stocks that could deliver robust returns over the next decade. Besides appreciation in stock price, investors could also benefit from their strong dividends that are likely to grow in the coming years. Moreover, you can start investing in these two top TSX stocks for only $200.

goeasy

Investors looking for high returns can consider buying the shares of the subprime lender **goeasy** (TSX:GSY). Over the years, goeasy's investors have benefitted significantly from the surge in its stock prices and increased annual dividends.

The company has generated total shareholder returns of over 7,700% since 2001, thanks to the phenomenal growth in its top and bottom line. While its annual revenues have grown at a CAGR (compound annual growth rate) of 13% over the past two decades, its bottom line increased at a CAGR of 30% during the same period.

The company has been uninterruptedly paying dividends for the last 16 years. Moreover, it has increased its dividends for six years in a row.

With the reopening of the economy, the company has started to see an improved level of loan originations. Further, goeasy witnessed a reduction in credit losses, which is encouraging. Its loan portfolio improved by 14%, while adjusted EPS soared 56% in the most recent quarter.

goeasy serves a large and underserved market, which is likely to drive double-digit growth in its top and bottom line in the coming years. Meanwhile, its geographical expansion, evolving business model, and expanding product base should further accelerate its growth and maximize shareholders' returns.

Bank of Nova Scotia

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) is another top TSX stock that is likely to outperform the benchmark index over the next decade. The bank's ability to deliver high-quality earnings and exposure to high-growth markets are likely to support the uptrend in its stock. Meanwhile, the recovery in the economy should accelerate its growth further and drive its loans and deposits volumes.

The bank generates most of its earnings from stable businesses, including personal and commercial banking and wealth management, which is encouraging. Meanwhile, it consistently boosts shareholders' returns through increased dividend payments.

Bank of Nova Scotia has raised its dividends at about 6% annually over the last decade. Meanwhile, expected improvement in the provisions for credit losses, an uptick in economic activities, and a sustainable payout ratio suggest that its future dividend payments are safe.

With over 18% year-to-date decline in its stock, Bank of Nova Scotia presents an excellent entry point for long-term investors. It is currently offering a juicy dividend yield of 6.4%.

Final thoughts

With unlocking measures, the economy is gradually coming out of the gloom, and investors could expect an uptick in consumer activity, which should support the uptrend in these financial stocks. The loans and deposit volumes are expected to rise, while the provisions for credit losses are likely to show sharp sequential deceleration.

Meanwhile, the robust dividend payments by both these companies are likely to boost investors' returns further.

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2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:GSY (goeasy Ltd.)

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