



3 TSX Stocks to Buy Right Now if You Have \$1,000

Description

Investors who did not act during the epic coronavirus crash in March could feel that they have missed the bus. The FOMO might dominate, particularly after the recent rally that boosted **TSX** stocks by 42% in the last seven-odd months. However, the momentum could very well stay. So, if you are sitting on some cash, here are some top TSX stocks with striking upside potential.

Streamers versus traditional miners

As gold prices rallied this year, one of the biggest streaming companies, **Wheaton Precious Metals** ([TSX:WPM](#))([NYSE:WPM](#)) stock, gained 60% this year. Compared to conventional gold-mining companies, streamers like Wheaton are low-risk, high-margin businesses. They outsource the capital-intensive mining operations against some portion of the metal produced.

Wheaton has already [earned](#) double than it did in the entire fiscal year of 2019. Its superior earnings growth will likely continue for the rest of 2020 with higher production and prices. Interestingly, Wheaton is a relatively better stock to play the gold rally compared to traditional miners.

Investors should note that Wheaton stock is overvalued after such a steep rally this year. That does not mean it will only fall from current levels. However, I think its superior earnings growth potential justifies the premium valuation. Conservative investors could wait for a pullback.

Don't overlook energy midstream stocks

One undervalued and overlooked area right now is energy midstream. Energy midstream stocks got burned a little extra amid the pandemic weakness this year. Oil pipeline and utility company **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is worth a look at these levels. The stock has corrected almost 30% this year and is trading at an attractive valuation.

TC Energy plans to invest more than \$37 billion in capital projects through 2023. It aims to grow the pipeline network and further strengthen its connectivity to major energy markets in North America.

While many global energy titans reported a loss so far in 2020, TC Energy posted steady earnings growth in this period.

Apart from the oil and gas pipelines, TC Energy is also involved in power generation. That's why it has steady cash flows that facilitate stable dividends, unlike other energy companies.

TC Energy offers a juicy dividend yield of 6.3%. It has increased dividends for the last 20 consecutive years.

A TSX stock with an extra layer of safety

The recent increase in broad [market volatility indeed calls for safe plays](#). TSX stocks with stable earnings and dividends will likely outperform in the current market scenario. One such stock that fits the scenario is **Hydro One** ([TSX:H](#)).

Hydro One is an \$18 billion regulated utility that prominently operates in Ontario. More importantly, Hydro One is not involved in power generation and operates as a transmission and distribution company. This avoids big capital investments upfront and adds an extra layer of safety.

The utility stock yields 3.5%, close to TSX stocks on average. Hydro One aims for a 5% dividend increase per year for the next few years, which is in line with the industry average. Notably, Hydro One stock has soared 50% since its March lows and is currently trading at its all-time highs. However, it does not look expensive and could continue soaring higher.

Hydro One's stable earnings and a succulent dividend yield could be highly valuable amid the rising broad market volatility.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Metals and Mining Stocks
6. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. NYSE:WPM (Wheaton Precious Metals Corp.)
3. TSX:H (Hydro One Limited)
4. TSX:TRP (TC Energy Corporation)
5. TSX:WPM (Wheaton Precious Metals Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Metals and Mining Stocks
6. Stocks for Beginners

Date

2025/07/01

Date Created

2020/11/04

Author

vinitkularni20

default watermark

default watermark