



TFSA Investors: 3 Top Stocks for 2021

Description

The end of 2020 is just around the corner, and investors are wondering which top stocks might be good picks for 2021.

Sector rotation

A sector rotation is already beginning and that theme could play out through 2021. Hard-hit groups like energy companies and commodity producers largely sat out the wild recovery off the March 2020 crash. Money is now shifting to these areas, as investors look past the pandemic.

Once the fiscal stimulus measures really kick into gear next year, companies that produce the stuff needed to build infrastructure and fuel economic growth should benefit. In addition, long-term bets on population growth could be back in favour.

Another driver could be a weaker U.S. dollar. One recent [report](#) suggest the greenback could slide 20% next year. This would support higher commodity prices.

Is Suncor Energy stock attractive today?

Suncor ([TSX:SU](#))([NYSE:SU](#)) trades near \$20 per share compared to a 2020 high around \$45. The outlook for the oil market remains cloudy through the first half of 2021, but things should start to improve in the back half of the year.

Suncor's integrated business structure places it in a good position to capitalize on post-pandemic demand for fuel. Airlines will start to fly again and people will begin to drive back to the office.

There are mixed opinions on how quickly this will happen. Some analysts say the travel and office sectors are forever changed. Time will tell, but history suggests human beings will want to travel once they feel safe. As for the office, people won't want to be at home if part of the team is back at the office hanging out with the boss.

Suncor's current dividend should be safe, so you get paid a decent 4% yield to wait for the recovery. The stock could easily jump 50% by the end of next year.

Is Teck Resources stock ready to soar in 2021?

Teck Resources ([TSX:TECK.B](#))([NYSE:TECK](#)) is a cash machine when copper, metallurgical coal, and zinc prices move higher.

Copper and zinc already rallied significantly off the 2020 lows, and the upward trend could continue for the next two or three years. Countries need to get their economies back on track and huge fiscal projects are one way to kick-start the recovery. As such, steelmaking coal, copper, and zinc should be in high demand.

Teck Resources is a cyclical play. You want to get in near the bottom and get out before the next downturn. At the moment, the stock trades close to \$20. It bottomed out around \$9 earlier this year. Some volatility should be expected, but a move to \$30 in 2021 looks very possible based on previous cycles. A huge global economic expansion could take it to \$40 in two years.

Is Nutrien stock a top buy now?

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) is the planet's largest producer of potash and a major supplier of nitrogen and phosphate. The stock had a rough 2019 due to bad weather in key markets. Global trade tensions didn't help. Then the pandemic hit, throwing another wrench into the mix.

Recently, the market started to warm up to the stock on the hopes that things will normalize in the coming year. In the big picture, the outlook also appears robust. The planet's human population is expected to grow from roughly 7.8 billion in 2020 to 10 billion in the next 30 years.

This means farmers need to get better yields from their fields while farmland continues to disappear. That scenario bodes well for Nutrien's products.

The stock now trades near \$59, which is just shy of where it began 2020. Investors get a 4% dividend at this price. It wouldn't be a surprise to see Nutrien take a run at \$80 before the end of 2021.

The bottom line

As we saw in 2020, it is impossible to know what the new year will bring. However, the recent trend suggests Suncor, Teck Resources, and Nutrien deserve to be on your radar heading into 2021.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TECK (Teck Resources Limited)
4. TSX:NTR (Nutrien)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TECK.B (Teck Resources Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

default watermark

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/23

Date Created

2020/11/23

Author

aswalker

default watermark