



Got \$3,000? 3 Top TSX Stocks to Buy Today

Description

If you were scared of a crash and did not enter markets in the last few months, you are not alone. Many Canadians kept procrastinating, but **TSX** stocks reached new highs despite the pandemic.

Interestingly, with promising developments on the vaccine front, the rally can well continue next year. So, if you are sitting on cash, consider putting it into top TSX stocks that offer handsome capital gain prospects.

Suncor Energy

The legendary investor Warren Buffett is betting big on Canadian energy giant **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). While he has sold many riskier investments this year, he has been doubling down on this integrated energy titan.

Suncor Energy stock has rallied more than 60% since late October. However, it is still trading 50% lower than its pre-pandemic levels.

Energy markets have indeed been unpredictable and have dug a deep hole in investors' pockets in the last few years. However, Suncor, the country's biggest integrated energy company, has played relatively well in this period. Its downstream operations offset the upstream segment's weaker performance when crude oil prices are lower and vice versa.

Suncor Energy's financials could notably improve with probably lesser mobility restrictions next year. Higher production with relatively higher crude oil prices will likely bode well for its earnings growth in 2021.

Suncor Energy stock pays stable dividends and yields 3.6% at the moment. If you invest \$10,000 in Suncor stock today, it will generate \$360 in [dividends](#) every year, based on its current yield.

Algonquin Power & Utilities

Utility stocks provide stable dividends and provide long-term stability. Investors can consider a top Canadian utility stock **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)).

It is a \$12 billion utility that distributes natural gas and electricity and operates large renewable assets. The company generates a significant chunk of its earnings from regulated operations, which makes its earnings stable and predictable.

Algonquin stock offers a dividend yield of 4%, higher than TSX stocks at large. The stock has returned more than 700% in the last 10 years, notably beating peers. That's quite a feat for slow-moving utility stocks.

If you are looking for stability along with safety, Algonquin should be on top of your buying list.

Bank of Nova Scotia

The country's third-biggest bank stock **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) rallied almost 25% since late October. The vaccine news was a bigger relief for it rather than peers because of its large exposure to Latin America. Another factor driving the stock has been its Q4 earnings, which came in-line with the expectations.

Scotiabank's Q4 profits [dropped](#) 18% year over year, in line with peers. Provisions for credit losses came in at \$1.1 billion, lower than \$2.2 billion in the previous quarter.

Scotiabank has set aside a larger amount in provisions for bad loans in the entire year compared to peers. Although that had weighed on its bottom line this year, it substantially improves its loss absorption capacity for 2021.

Scotiabank stock is still trading 10% lower than its pre-pandemic levels. It offers a dividend yield of 5.3%, higher than peer banks.

With discounted valuation and handsome dividends, these three TSX stocks will likely continue to trade strong going into 2021. If you have some spare cash, consider these stocks for decent gains.

CATEGORY

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BNS (Bank Of Nova Scotia)
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