



## Got \$1,000? Here Are 3 Top TSX Stocks to Buy for 2021

### Description

If stocks exhibited one of the most incredible runs this year despite the pandemic, the year 2021 will be even bigger for them with vaccine distribution and economic recovery. How should you play the potential post-pandemic 2021 rally, and where should you invest? Here are three top TSX stocks for 2021.

### Wheaton Precious Metals

**Wheaton Precious Metals** ([TSX:WPM](#))([NYSE:WPM](#)) stock has fallen almost 30% after hitting an all-time high in August. Despite the plunge, the stock is still sitting at a handsome gain of 50% in the last 12 months.

As gold prices are expected to remain strong next year, this precious metal stock could be your top bet.

Wheaton is a \$23 billion streaming company. Streamers are different from traditional miners in operational aspects where they don't bear the mining risk. They outsource mining for some upfront payment or the portion of the output.

Thus, the operational risk gets diminished to a large extent. That's why streamers are high-profit margin businesses and are preferred by low-risk investors.

Gold stocks like Wheaton have managed to double their earnings this year compared to 2019, because of yellow metal's epic rally. Interestingly, gold prices are still way higher than last year, which will likely reflect in miners' earnings for the next few quarters.

Wheaton stock still looks expensive from the valuation standpoint. But given the superior earnings growth potential, the premium valuation is warranted.

### Rogers Communications

The top telecom company **Rogers Communication** ([TSX:RCI.B](#))([NYSE:RCI](#)) has shown a decent recovery in the last few months. However, it is still trading 20% lower than its all-time high of \$73 in February last year. With reasonable earnings growth and its [lead in the 5G race](#), Rogers stock could reach those levels next year.

The pandemic and lockdowns dented its financials in the first half of 2020. But Rogers's third-quarter earnings suggested a slow but steady recovery. Its revenues for the quarter marginally fell year over year but improved 16% against Q2 2020. Its net income also improved by 85% quarter over quarter.

Compared to peers, Rogers is well ahead in the 5G rollout race and has deployed a network in 130 cities in Canada.

Rogers pays stable dividends and yields 3.5% at the moment. Even if the yield is lower than peers, Rogers's discounted valuation makes the stock appealing. Inexpensive stock and a reasonable dividend yield make it an attractive investment proposition for long-term investors.

## BRP

**BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)) stock has surged around 35% since [my last article](#). The powersports vehicle maker saw sooner-than-expected demand recovery in the last quarter, which drove management to increase guidance for 2021.

It forecast to earn \$5.12 per share for the next fiscal year, which indicates handsome earnings growth compared to 2019. The upbeat guidance highlights the stock's undervaluation and a room to soar higher. Interestingly, BRP stock has soared almost 400% since its record lows in March.

BRP has a controlling market share in snowmobiles and all-terrain vehicles. Once mobility restrictions ease and people start to travel again, BRP could see pent-up demand next year. The stock might continue to trade strong considering its higher earnings prospects and a cheaper valuation.

## CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

## TICKERS GLOBAL

1. NASDAQ:DOOO (BRP Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:WPM (Wheaton Precious Metals Corp.)
4. TSX:DOO (BRP Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:WPM (Wheaton Precious Metals Corp.)

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