



TSX Stocks: Where to Invest \$1,000 Right Now

Description

Heading into 2021, there are a tonne of opportunities for investors to buy **TSX** stocks. The end of the coronavirus pandemic is in sight. So, although we are facing tough times at the moment, for investors, it's time to look past the short-term noise.

Markets are forward looking, so if you wait until it's clear the economy has recovered from the coronavirus pandemic, it will likely be too late to buy the stocks.

Instead, we need to look for companies that have value today. Can those businesses survive the rest of the pandemic, and will they recover rapidly? Most often, investors consider **Air Canada** stock. However, because that stock is one of the most popular this year, gains will likely be muted, as most investors are already invested in the stock.

So, we need to find businesses like [Air Canada](#) that's far less popular to find more upside potential. Here are two TSX stocks with the most recovery potential to invest \$1,000 in right now.

TSX restaurant stock

There's no question that one of the worst-impacted industries throughout the pandemic has been restaurants. Besides being indoors and having restrictions on capacity, restaurants have also been widely known to be some of the worst places for the virus to spread.

This has many people avoiding sit-down restaurants until the pandemic is over. So, it's not surprising the stocks like **Boston Pizza Royalties Income Fund** ([TSX:BPF.UN](#)) have faced significant struggles this year.

Boston Pizza has been one of the most popular casual dining brands in Canada for years. So, while the fund is facing severe headwinds at the moment, operationally, it hasn't done anything wrong.

So, with the stock roughly 30% off its high, it has one of the biggest discounts and potential for a recovery heading into 2021.

Of course, with more recovery potential comes more risk, so it's important you not only do your research but that you're aware of what specifically may impact your stocks.

For example, Boston Pizza runs the risk that a number of its locations may go out of business before the pandemic is over. This is something to think about and watch for as well as other risks that Boston Pizza or any other stock you may buy face.

Nevertheless, the TSX stock still offers huge capital gains potential as it starts to recover. That's why it's one of the top stocks you can buy today.

Energy stock

Another industry that has significant potential for recovery in 2021 is [energy](#). That's why a business like **Freehold Royalties** ([TSX:FRU](#)) is one of the top stocks I'd invest \$1,000 in right now.

Freehold Royalties is a relatively safe energy stock. The company is not a producer itself but a royalty company that loans out its land to producers. This is a much safer business model, especially since the company carries very little debt.

While it's not a producer, the company is still tied to the energy industry. That's why the stock has struggled in 2020. Oil prices play a role in this, but the bigger impact was the curtailment of production earlier this year when the demand for oil was tanking due to lockdowns.

That's all in the past, however, and Freehold is now in great shape. The TSX energy stock has now recovered by more than 100% off its lows this year, despite still trading 35% off its 52-week high.

This shows Freehold is now recovering substantially yet still offers a tonne of value.

And on top of everything else, it pays an attractive 4.5% dividend. That dividend has already been increased during Freehold's recovery this year and still has a lot more upside potential to be increased in 2021.

The combination of capital gains potential and an increasing passive-income stream makes Freehold one of the top TSX stocks to buy today.

Bottom line

Several TSX stocks offer investors significant capital gains potential in 2021, as they recover from the coronavirus pandemic. So, with vaccinations already ongoing, these stocks may not remain cheap for very long. That's why I would be looking to buy these top stocks today.

CATEGORY

1. Dividend Stocks

2. Investing

TICKERS GLOBAL

1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:FRU (Freehold Royalties Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
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