



## 3 Canadian Stocks to Build Wealth in 2021

### Description

Heading into 2021, there are plenty of Canadian stocks you can build wealth with. Unlike U.S. indexes, the TSX hasn't reached stratospheric valuations, meaning there are plenty of affordable dividend stocks and other blue chips. Sure, top tech stocks — like those on the NASDAQ — have produced stellar gains. But you never know how long that's going to last. In the meantime, there are plenty of “traditional industry” stocks that are looking like bargains right now. In this article, I'll go over three of them to help you find stocks worth buying in 2021.

### Canadian Tire

**Canadian Tire** ([TSX:CTC.A](#)) is one stock that had a wild ride in 2021. In the first quarter, it got walloped by the COVID-19 pandemic. The lockdowns resulted in fewer gasoline sales along with retail closures. As a result, CTC.A had  $-\$0.22$  in EPS in the first quarter. However, the company started rebounding after that. In the second quarter, it [saw its e-commerce sales rise 400%](#). By the third quarter, the company was positive positive year-over-year growth in both revenue (up 18.9%) and earnings (up 43%). These factors show that Canadian Tire has plenty of room to grow in the post-COVID era. Still, its stock is relatively cheap, trading at just 17 times trailing earnings.

### TD Bank

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is one of the best-performing Canadian banks of 2020. In its most recent quarter, it delivered positive year-over-year growth in both GAAP earnings (80%) and adjusted earnings (1%). A lot of its success in the fourth quarter was due to its [sale of TD Ameritrade to Charles Schwab](#). That resulted in a massive \$2 billion payday. As a result of the sale, TD now owns 13.5% of Charles Schwab itself, making it a partner in the world's largest brokerage firm. That should drive consistent, steady earnings growth from here on out.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is a Canadian utility company that has heavy investments in renewable energy. It operates mainly in the U.S., where it offers renewable power through its Liberty Utilities subsidiary. AQN stock has been a solid performer over the years, rising 320% in a decade. Those stock price gains have been driven by equally impressive business performance. As a regulated utility, AQN has delivered steady, stable earnings growth over the years. In its most recent quarter, revenue was up 3%, adjusted EBITDA was up 6%, and adjusted net income was up 27%.

These were all pretty solid metrics. Algonquin's business was affected by the COVID-19 situation, but much less so than other companies. Utilities are an essential service that people keep paying for even when times are tough. Algonquin and other utilities benefitted from that fact in 2020, resulting in solid earnings and decent stock price performance. Today, AQN stock is fairly expensive for a utility, trading at 19 times earnings. Nevertheless, its 3.87% dividend yield could make it a worthy buy for an income-oriented portfolio.

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2. Dividend Stocks
3. Investing

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1. Editor's Choice

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:CTC.A (Canadian Tire Corporation, Limited)
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andrewbutton

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