



## 3 Top TSX Stocks for 2021: Growth, Value, and Income

### Description

Right now, the TSX is full of great options for investors. Canadian stocks are beginning to look cheap relative to U.S. stocks, so now could be a great time to add some Canadian exposure. In this article, I've got three top picks in the growth, value, and income categories.

### Growth pick: Restaurant Brands

I think the tables are being set for **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)) to outperform in terms of growth. This is the parent company of three quick-service restaurant banners: Tim Hortons, Burger King, and Popeyes Louisiana Kitchen.

While Tim Hortons has provided a drag on growth in recent years, I think one key catalyst could be on the horizon: acquisitions. It's been a few years since Restaurant Brands has acquired another banner. Accordingly, I think 2021 could be the year this acquirer steps up to the plate and swings for the fences. Restaurant Brands has done a good job of generating same-store sales growth in its Burger King and Popeyes banners. In particular, menu innovation has been key to this growth. I think the company's management team has all the tools needed to generate outsized growth with a fourth or fifth banner.

### Value pick: Fortis

I think 2021 could also be a year of rotation into high-quality, defensive value stocks. In this regard, there's perhaps no better company on the TSX than **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Fortis is a utilities play that is attractively valued right now. The company's core business of electricity and natural gas generation and transmission provides extremely stable cash flows. These cash flows have provided for impressive long-term capital appreciation and dividend growth. This is one of those stocks that should be trading at a premium multiple but isn't. I think capital inflows into defensive value-oriented stocks could drive Fortis's share price higher over the long term. I think 2021 could just be the start of such a transition. As such, at these levels, Fortis remains a high-conviction pick for me.

## Income pick: Scotiabank

I've been very bullish on **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) as a top dividend pick on the TSX for some time. I think Canadian banks have been hit far too hard by pandemic-related worries. The market has more than priced in the losses banks will see from the coronavirus pandemic. Additionally, I think Scotiabank has done a good job of provisioning for said credit losses and perhaps over-provisioned. When things improve and the company removes these provisions, Scotiabank's bottom line will look really good.

The company's dividend yield of 5.3% is the best among its peers, in my view. My reasons why are highlighted in a [recent piece](#). I think the company's fundamentals and business model are solid, and support dividend growth over the long term. I expect once OSFI removes restrictions on dividend increases, Scotiabank will return to its mid- to high single-digit annual rate of dividend increases.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Top TSX Stocks

### POST TAG

1. dividend
2. dividend stock
3. growth
4. growth stocks
5. investing
6. market
7. tsx tech stocks
8. value investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:QSR (Restaurant Brands International Inc.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:FTS (Fortis Inc.)
6. TSX:QSR (Restaurant Brands International Inc.)

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