



Smart TSX Stocks: 2 Top Innovators to Invest in Today

Description

Today, we will cast a quick glance over two stocks that represent headline-grabbing Canadian innovation. With countless challenges ahead, investors may wish to pack forward-looking companies in their stock portfolios. Covering the unique growth opportunities afforded by the recently reinvigorated space race as well as resource management closer to home, these two TSX names are also richly rewarding on a number of technical levels.

The final frontier for growth stocks?

Investors may be aware that the [aerospace sector is heating up](#) from manned missions to the Moon to sending a **Tesla** into space and from in-orbit satellite repairs to asteroid mining. Endless possibilities could yield untold fortunes. Whichever angle you take, commodifying the final frontier could be this century's gold rush.

Space aficionados will note that **Maxar Technologies** ([TSX:MAXR](#))([NYSE:MAXR](#)) sold MDA last April to Northern Private Capital. In doing so, Maxar said goodbye to the developers of the Next-Generation Canadarm (NGC). Under contract to the Canadian Space Agency (CSA), MDA now belongs to a consortium that invests in progressive, disruptive technologies. But that doesn't mean Canadians shouldn't pass up the chance to own shares in its predecessor.

Maxar shares have gained 127% year on year, making this a growth stock to conjure with. There's no reason why a wealth-generation strategy over a multi-year period shouldn't make use of such momentum. Other rewards to a shareholder include undervaluation by almost 30% according to estimated future cash flows, plus reassuring revenue growth over the past 12 months.

The *de facto* energy stock that's also a railway!

Anybody who holds shares in an energy company — and that covers a large proportion of Canadian investors — will know that oil is in a tough place. Today, that place is (literally as well as figuratively) the ground. Getting it out of the ground and transporting it to where it needs to be is proving tricky. In

lieu of significant pipeline breakthroughs, oil by rail has risen to the challenge. Take a bow, **CN Rail** ([TSX:CNR](#))([NYSE:CNI](#)).

CN Rail's CanaPux initiative, developed in conjunction with InnoTech Alberta, is a risk-lowering alternative to shipping liquid hydrocarbons. The process takes extra-heavy crude and blends it with a polymer. This produces a solid puck for shipping to international destinations. By mixing solid-fuel transport infrastructure with an end-of-journey reliquifying process, a safer mode of oil transport is achieved.

Investors pay a premium for this high-quality stock, trading at just over five times its per-asset value. But for that money, shareholders are rewarded with a [thoroughly diversified investment](#). A lower-risk play that touches on many facets of the Canadian economy, CN Rail stock is packed with incentives. These include such boons as a 1.6% dividend yield, reassuring 47% payout ratio and 120% total returns potential by 2026.

Despite a shifting economic backdrop and landscape-changing business deals, Canadarm and CanaPux — two distinctly Canadian innovations — could continue to reward shareholders in their originating businesses. From natural resources in space to those right here on Earth, this twinning of technological pioneers could help TSX investors pack years of wealth generation in a personal portfolio.

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:MAXR (Maxar Technologies)
4. TSX:CNR (Canadian National Railway Company)

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