



3 Top Futuristic TSX Stocks to Buy for 2021

Description

2021 is the beginning of a new decade. The past decade from 2011-2020 saw the technology revolution where smartphones, social media, cloud computing, and e-commerce became a household thing. The decade saw the emergence of FAANG (**Facebook, Apple, Amazon, Netflix, and Google**) stocks. If you invested even \$10,000 in this technology revolution early in 2011, you would have been a millionaire by now.

The new decade brings a new revolution. The decade 2021-2030 will see the emergence of an environment-first approach. People are becoming socially and environmentally sound. The global vehicle sales fell in 2019, but electric vehicle (EV) sales surged 40% year over year. The oil stocks fell while renewable energy stocks surged.

While EV and renewable energy have been here for quite some time, it is only now that their adoption has gathered momentum. By the end of 2030, you will see EVs in every household and wind and solar energy farms everywhere. You can tap this new revolution by buying three **TSX** stocks now before they soar in 2021.

Magna International stock

Starting with EVs, this automotive segment is getting a boost from government subsidies and increasing charging stations. China and Europe are at the forefront, with the United States playing a catch-up. The Joe Biden victory of the U.S. presidency is a good sign for EVs as he promised to build 550,000 EV charging stations during his presidential campaign.

The EV is growing and it is visible in EV leader **Tesla's** 700% stock price rally. But **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is also [riding the EV wave](#). The company provides auto parts and contract manufacturing services to automakers. The company's new CEO is shifting Magna's focus to EVs.

Magna is forming an electric powertrain joint venture with **LG Electronics**. It has also partnered with **Fisker** and **Sony** to manufacture EVs. Magna has invested in the **Alphabet's** autonomous vehicle

(AV) subsidiary Waymo. There are rumors that **Apple** is using Magna's help for its EV project. All these EV initiatives increased Magna's stock 30% in one year.

Magna has immense growth potential and a low-risk model, given its diverse customer base. It will benefit from the EV and AV revolution without spending billions of dollars on research and development. In addition to capital appreciation, Magna stock offers a 2.25% dividend yield. It has increased its dividend per share at a compound annual growth rate (CAGR) of 13% in the last five years and will continue to increase the dividend in the current decade.

Northland Power stock

The next stock with strong growth potential is **Northland Power** ([TSX:NPI](#)). It has a portfolio of 2.6 GW of global wind, solar, gas, and biomass projects. Like Magna, even Northland is benefitting from government regulations and subsidies. These projects have increased its free cash flow per share at a CAGR of 75% between 2015 and 2019. It has 1.5 GW of projects under construction, which is expected to increase its adjusted EBITDA by 60% by 2026.

Like Magna, Northland provides a dividend yield of 2.5%. Northland will invest in new projects, and these projects will generate cash once they start generating power. As its cash increases, it will use that money to build more projects and pay more dividends.

Enbridge stock

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) stock is currently at a place where Northland and Magna aim to get in the next 10 years. It's a Dividend Aristocrat with a [history](#) of paying incremental dividends for the last 25 years. In the past 10 years, its stock price surged 62% and dividend per share rose at a CAGR of 13%. Over these years, it spent large capital on building pipelines to transmit oil and natural gas. These pipelines generate enough cash to fund the development of new pipelines and also increase dividends.

By building the largest pipeline infrastructure in North America, Enbridge has made itself resilient to an economic crisis. It is also investing in renewable energy and will give you a 7.4% dividend yield. The stock has the potential to surge another 25% as oil demand recovers.

Investor corner

If you have not yet invested your \$6,000 Tax-Free Savings Account (TFSA) contribution for 2021, invest \$2,000 in each of the three stocks. You will benefit from the pandemic recovery and future growth trends.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:MGA (Magna International Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:MG (Magna International Inc.)
5. TSX:NPI (Northland Power Inc.)

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