Canadian Investors: 3 Top Stocks to Buy in 2021

Description

The **TSX Composite** trades at around all-time highs, even with a pandemic raging. But even with this, it's nothing compared to the markets south of the border. There could still yet be a recovery we haven't seen, even with a potential market crash rumoured on the way. The end of the pandemic could mean the end of economic uncertainty, and a boom in Canadian top stocks.

While there are many top stocks still trading near all-time highs as well, there are some that still present a bargain. While it might seem risky now, these companies have the staying power for decades-long investing. Specifically, an oil and gas rebound will happen soon. When it does, you'll want to invest in these stocks that are perfect to buy up this year.

Suncor

Suncor Energy Inc. (TSX:SU)(NYSE:SU) is the perfect option for value investors. The company trades well below fair value thanks to the declining oil and gas sector coupled with the pandemic crash. Yet this company is the largest fully integrated energy company in Canada. If there is one company that will rebound quickly with an oil and gas rebound, it's Suncor stock.

The company slashed its dividend to stay afloat, but it has a solid balance sheet that should make investors drool. Cash flow continues from its integrated operations even with oil price volatility, and continues to expand to create future growth for several decades. Yet shares are still down about 25% over the last year. When oil and gas rebounds soon, that could change incredibly quick.

Enbridge

Another company that will see a quick turnaround is **Enbridge Inc.** (TSX:ENB)(NYSE:ENB). The company's pipelines offer a solution to the trapped Alberta oil sands that has plagued companies like Suncor. Its expansion projects continue to set the company up to make a killing over the next few decades, all while paying out a handsome dividend to investors from long-term contracts.

The pipeline business is an incredibly hard one to penetrate for competitors, and that puts Enbridge in an even better position. It's likely to be one of the fist to see revenue soar along with shares when an oil and gas rebound occurs. Yet again, shares are still down about 12% as of writing, making this a perfect stock to hold while you wait, and enjoy the juicy 7.54% dividend yield.

Canadian Pacific

Finally, **Canadian Pacific Railway Ltd.** (TSX:CP)(NYSE:CP) managed to stay afloat for the same reason Enbridge is expanding: oil and gas. The company saw an enormous increase in use for shipping the stuff with everything trapped in Alberta. It will likely continue to see an increase until pipelines are built across the continent.

The main issue here is that since oil and gas is such a driver of revenue, the company could see a drop when pipelines are built. So keep a closer eye on this stock. But in the meantime, it continues to see year over year increases in revenue, along with earnings per share growth. The stock seems to be steady as she goes, which is likely why shares have risen 28% in the last year, and 178% in the last five years.

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