The Smartest Folks on Bay Street Are Buying These TSX Stocks

Description

The **S&P/TSX Composite Index** was down 90 points in mid-afternoon trading on February 18. It is the second straight day that Canadian stocks have broadly suffered steep losses. North American markets have been red hot to start 2021. Still, this does not mean that investors should flee from their positions. On the contrary, today I want to look at three TSX stocks that the top minds on Bay Street are buying. Let's dive in.

Don't give up on Enbridge in 2021

Enbridge (TSX:ENB)(NYSE:ENB) is the largest energy infrastructure company in North America. The company has been embroiled in yet another regulatory struggle, as the Michigan governor has sought to torpedo its Line 5 construction. This has drawn the ire of Canadian lawmakers, as thousands of jobs are tied to the project.

Shares of Enbridge have still climbed 9.6% in 2021 as of mid-afternoon trading on February 18. This TSX stock is still down 16% year over year. In November 2020, I'd suggested that investors could trust Enbridge, even in the face of this regulatory showdown.

Earlier this week, **iA Financial** Securities analyst Elias Foscolos said that he was increasing his target price for Enbridge. **Toronto-Dominion Bank** Securities' analyst Linda Ezergailis also raised her price target for the top TSX stock. Moreover, shares of Enbridge possess a favourable price-to-book (P/B) value of 1.6. It also offers a quarterly dividend of $0.835 per share. That represents a tasty 7.6% yield.

Analysts are still snatching up this TSX stock in the gold space

When this month started, I was still bullish on gold stocks. The yellow metal should continue to benefit from a low U.S. dollar and historically low interest rates. **Agnico Eagle Mines** (TSX:AEM)(NYSE:AEM) is one of the best mining TSX stocks. Its shares have climbed 20% year over year at the time of this writing.

Some analysts were still bullish on Agnico after the release of its last batch of 2020 results. **Citigroup** analyst Alexander Hacking said that it remains a "best-in-class gold miner," even after a disappointing Q4 report. Meanwhile, **Scotiabank** analyst Tanya Jakusconek tagged Agnico with a "sector outperform" rating.

Agnico boasts a solid balance sheet and possesses a price-to-earnings (P/E) ratio of 29. It has delivered impressive earnings growth in successive quarters. Investors should consider buying this top TSX stock on the dip.

One more TSX stock to trust today

Aecon Group (TSX:ARE) is the last TSX stock to zero in on today. This company and its subsidiaries provide construction and infrastructure development services to private and public sector clients in North America and around the world. Shares have climbed 5.9% in 2021 so far. However, this TSX stock is down marginally from the prior year.

IA Financial analyst Naji Baydoun handed out a "buy" recommendation for Aecon Group on February 16. Canada's economic rebound and forthcoming fiscal stimulus is expected to be bullish for infrastructure investment across the country. Moreover, historically low interest rates will also underpin a strong performance in this sector.

Shares of Aecon Group last had a favourable P/E ratio of 17 and a P/B value of 1.2. Moreover, this TSX stock offers a quarterly dividend of $0.16 per share. That represents a 3.7% yield.

CATEGORY

1. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:AEM (Agnico Eagle Mines Limited)
4. TSX:ARE (Aecon Group Inc.)
5. TSX:ENB (Enbridge Inc.)

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