3 Top TSX Stocks to Buy Today With $3,000

Description

TSX stocks could continue to soar higher amid the ongoing economic recovery and strong corporate earnings growth. So, if you have some extra cash, consider investing it for the long term. Here are three TSX stocks that offer attractive investment propositions for long-term investors.

Dollarama

Shares of the top value retailer **Dollarama** (TSX:DOL) have been on a downtrend since its last earnings in December. This could be a lucrative opportunity for investors, as the company saw decent growth during the quarter. It increased sales by more than 12% year over year in Q3 2020, which ended on November 1 last year. Its EPS also grew by 18% year over year.

Dollarama stands tall among its peers mainly because of its extensive presence in Canada. It operates 1,300 stores in the country and intends to expand the network in the next few years. There is a big growth potential for Dollarama, as Canada is still an underpenetrated market in terms of retail stores compared to the United States. Notably, Dollarama offers a unique value proposition for customers.

Its recession-resilient stock has played out really well in the last decade, returning almost 1,000%. Investors can consider Dollarama, given its strong growth prospects and its tendency to remain strong in turbulent times.

TC Energy

If you are looking for a stable passive income along with decent capital gain prospects, consider **TC Energy** (TSX:TRP)(NYSE:TRP) stock. It is the second-biggest energy pipeline company in the country.

TC Energy stock offers a stable dividend yield of 6%, significantly higher than TSX stocks at large. Companies like TC Energy earn stable cash flows, as they receive fixed fees on long-term contracts. That's why they are better able to pay stable payouts to their shareholders. TC Energy has increased its dividends for the last 21 consecutive years.

TC Energy stock might not reward shareholders in the short term. However, its stable dividends and slow stock have made decent returns in the long term. It has returned 9% on average per year in the last decade, notably beating the TSX Composite Index.

Air Canada

While it might look risky at first, but **Air Canada** (TSX:AC) could be a highly rewarding bet for 2021 and beyond. The stock has surged almost 30% so far this month.

A dominating virus and continued closures suggest a weak case for Air Canada at the moment. However, few pointers underline a strong recovery ahead for the flag carrier. First is its strong balance sheet. Even if it has been losing money for the last few quarters, Air Canada is still strong in the industry due to its robust liquidity position. Its cash-burn rate has been notably lower than global airline giants.

Additionally, there is a high probability that the Canadian government might come with a financial package for the embattled aviation sector soon. In that case, Air Canada could become even stronger and might beat the crisis before its peers.

Air Canada stock looks overvalued at the moment after its recent rally. Conservative investors can wait for a pullback or consider buying in slices.

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