



Got \$1,000? 3 Top TSX Stocks to Buy in March

Description

An upbeat quarterly earnings season suggests a better road ahead for TSX stocks. Besides, better-than-expected results from banks underline a bright economic recovery. All in all, markets could continue their upward climb in 2021 after a weak last year. So, it is still not late to bet on TSX stocks. Here are the top three bets.

Royal Bank of Canada

The country's biggest bank **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is my first pick. It reported solid Q1 2021 results last week. It reported a net income of \$3.85 billion for the quarter ended on January 31, 2021. That represents a decent 10% growth year over year.

More than profit growth, a soothing sign for investors was its provisions. Provision is the amount banks set aside for the loans that may go bad in the future. Royal Bank set aside \$110 million in provisions for loan losses during Q1 2021, a steep fall from \$4.4 billion in 2020. Notably, lower provisions indicate improvement in repayments and on-track economic recovery.

Royal Bank stock is up more than 20% since the vaccine launch in late October. Apart from decent capital gain prospects, it offers a stable dividend with a 4% yield. Investors can expect a fair rise in dividends if the banking regulator allows them to raise shareholder payouts this year. It put a stay on dividend increases last March to maintain banks' balance sheet strength.

Amid the looming economic recovery, Royal Bank stock is a great investment proposition based on its fair yield and decent growth prospects.

Canadian Utilities

If you are looking for a reliable dividend payout for the long term, consider top utility stock **Canadian Utilities** ([TSX:CU](#)). It has been paying increasing payouts for the last 49 consecutive years. Such a long dividend-increase streak would be highly comforting for investors.

The main reason behind such [consistently growing payouts](#) is its earnings stability. Canadian Utilities earns stable cash flows, as it is involved in large, regulated operations. These stable cash flows allow it to increase shareholder payouts in almost all economic scenarios.

Canadian Utilities stock yields a juicy 5.5% at the moment, notably higher than TSX stocks at large. Importantly, the utility will likely continue to raise dividends for the future, driven by its stable earnings and regulated operations.

Lightspeed POS

After two dividend stocks, let's now consider the top growth stock: **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). In its latest quarterly results, the company [posted](#) 79% revenue growth year over year. Importantly, its top-line growth could accelerate in 2021 driven by the completion of its acquisitions.

Lightspeed provides omnichannel commerce platforms to small- and medium-scale businesses. From inventory management to payments and from operations to customer engagements, Lightspeed offers an all-in-one solution to merchants.

During the last quarter, Lightspeed completed ShopKeep and Upserve acquisitions, which extends its presence south of the border. Its customer base increased to 115,000 globally — an increase of 74% year over year.

LSPD stock has returned a notable 160% in the last 12 months. The stock is trading at a premium, which looks justified because of the strong underlying growth. The stock could continue to rally, driven by higher demand and superior top-line growth post-pandemic.

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2. TSX:LSPD (Lightspeed Commerce)

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