



Got \$1,000? 3 TSX Stocks to Buy for Outsized Gains

Description

Although markets are trading at record levels, some TSX stocks are still trading close to their yearly lows. However, they could soon catch up and outperform the broader markets in 2021. Here are three Canadian biggies that offer handsome gain prospects this year.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has fallen almost 66% in just a month. Reddit investors targeted the security software giant last month, which sent the stock to the moon only to fall down to earlier levels.

But is it really a good time to enter BB? Interestingly, this could be a relatively risky bet, but its attractive valuation suggests an opportunity to enter.

Its QNX technology could continue to be the key growth driver for the future. QNX is the software platform for cars that provides driver assistance, infotainment systems, and connectivity modules. As cars become more software-defined, and amid the advent of autonomous vehicles and inter-connectivity, QNX offers a solid growth platform for BlackBerry.

A \$7 billion BlackBerry is one of the renowned security software companies in the world. The risks of cyberattacks are increasing day by day, as the world becomes more digitally connected. The large addressable market and higher spending on cybersecurity could drive growth for BlackBerry.

However, how the company manages to translate the growth opportunity into its financial growth remains to be seen.

Toronto-Dominion Bank

After a relatively riskier bet, let's take a look at the safe play. Consider a top Canadian dividend payer **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

The country's second-biggest bank is currently trading at \$81, its all-time high levels. Its Q1 2021 earnings, which were released last week, indicated a decent recovery after the dreadful pandemic last year.

Its [provisions](#) for credit losses came in at just \$313 million, which was a fall from \$917 million in the earlier quarter. This indicates management's confidence in the recovering economy and debt repayments. A recovering U.S. economy could also be one major driver for TD Bank's growth this year.

TD Bank stock yields 4% and the long dividend payment streak speaks for itself. Long-term investors can expect [decent total returns](#) from this Canadian bank, driven by its regular dividends and stable earnings.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) stock has soared almost 65% in the last six months. Bullish crude oil prices and earnings recovery boosted the integrated energy titan shares in this period. Interestingly, the stock could well keep going strong in 2021.

It was trading beyond \$40 levels in February last year. Similar strength in oil and hopes of normalcy could drive Suncor Energy stock to those levels.

Like all energy companies, Suncor Energy felt the heat of the pandemic last year. Its financials took a deep dent in 2020. However, disciplined capital management maintained the balance sheet strength, which helped weather the crisis.

Higher crude oil prices could substantially improve Suncor Energy's financials in 2021. The management aims to repay debt and return cash to shareholders based on the upbeat oil price outlook. Suncor Energy stock currently offers a reasonable dividend yield of 3.3%.

I think the worst is over for the energy companies like Suncor. Its sound financials and unique operational advantages make it well placed to benefit from the crude oil's upside.

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1. NYSE:BB (BlackBerry)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
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6. TSX:TD (The Toronto-Dominion Bank)

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