



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

Description

Stocks have notably outperformed other asset classes for the last several decades. If you have some extra cash, it makes sense to bet on TSX stocks now during the impending economic recovery. Investors generally avoid investing in stock markets because of the volatility risk. However, this risk gets minimized if you are investing for the long term. Here are some safe TSX stocks that offer decent gain potential.

Canadian Pacific Railway

The rail freight operator **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) is my top pick for long-term investors. It is one of the very few consistently performing TSX stocks that has notably beat broader markets.

Interestingly, CP stock has become all the more attractive after its [announcement](#) to buy **Kansas City Southern**. The combined entity will operate the first rail network between Mexico, Canada, and the United States. The trilateral trade activities are expected to see pent-up demand after the revised USMCA trade deal.

Canadian Pacific is the second-biggest player in a duopolistic rail freight industry after **Canadian National Railway**. CP will likely become more competitive to take on its bigger peer CNR in terms of network after the deal.

Interestingly, CP has exhibited superior growth compared to CNR in the last few years. CP's superior financial growth will likely continue in the long term, making it an attractive bet for long-term investors.

Enbridge

Stable dividend income can be substantially soothing in turbulent times. Current volatile markets call for the same. If you are looking for a stable dividend-paying stock, consider top energy titan **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). It is one of the biggest, top-yielding TSX stocks today. With \$3.34 per share

dividends in 2021, ENB stock yields 7.4% at the moment.

Enbridge differs from pure-play, oil-producing companies, as it is a pipeline company and derives revenues from long-term contracts. Its cash flows are much more stable and facilitate stable dividends. Enbridge will likely continue to pay consistently growing dividends, as it has been doing for decades, mainly because of its cash flow visibility.

ENB stock has returned more than 30% in the last 12 months. Along with its decent dividends, it offers decent capital gain prospects for the long term.

Rogers Communications

Rogers Communications ([TSX:RCI.B](#))([NYSE:RCI](#)) also announced a blockbuster deal to buy **Shaw Communications** last week. Even though the deal has not received regulatory approvals yet, there is a fair chance that it will clear by next year.

Shaw's decent presence in wireless, home phone, and internet segments offers Rogers a remarkable growth platform at the [emergence of 5G](#). Rogers already has the largest subscriber base in Canada. The deal will likely increase its subscriber base further, which should notably accelerate its revenues.

Rogers stock offers a stable dividend yield of 3.4% — the lowest among the peer telecom stocks. However, its discounted valuation in relative terms indicates superior return prospects.

Stable dividends and handsome capital gain potential make Rogers an attractive stock for long-term investors. Additionally, its recent announcement to buy Shaw ahead of the 5G revolution makes it even more appealing.

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:RCI (Rogers Communications Inc.)
4. TSX:CP (Canadian Pacific Railway)
5. TSX:ENB (Enbridge Inc.)
6. TSX:RCI.B (Rogers Communications Inc.)

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