The Best TSX Stocks to Buy in a Market Pullback

Description

The **S&P/TSX Composite Index** was down triple digits in late-morning trading on March 25. A ship blockage in the Suez Canal has spooked markets as it threatens to disrupt about $10 billion in goods every day it remains stuck. At the time of this writing, the ship is still blocking both directions in one of the world's busiest shipping channels. Tugs are being dispatched to dislodge the 400-metre-long cargo ship. Meanwhile, positive economic data continues to pour in. Investors should consider taking advantage of this market pullback. Here are the best TSX stocks to snatch up in a correction.

Bank stocks were a great buy in the 2020 market pullback

Bank stocks were throttled during the March 2020 market pullback. Investors who bought the dip in Canada's top financial institutions have been rewarded over the past year. These equities are not the most exciting, but they do offer nice balance with solid capital growth and income.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is the second-largest bank in Canada. Its shares have climbed 37% year over year at the time of this writing. Canadian banks continued to show strong progress after releasing their first-quarter earnings in late February and early March. TD Bank was no different.

The bank reported earnings of $1.5 billion or $1.69 per diluted share — up from $1.3 billion, or $1.44 per diluted share, in the prior year. TD Bank's revenue rose 5.5% to $5.5 billion. Shares of this top TSX stock last had a favourable price-to-earnings ratio of 12. It offers a quarterly dividend of $0.79 per share. That represents 3.8% yield.

Why you should buy this top TSX stock on the dip

Earlier this month, I'd discussed why young investors should get in on tech stocks that have recently dipped. **Kinaxis** (TSX:KXS) remains one of my favourite TSX stocks in the technology space. However, its shares have plunged 19% in 2021. The stock is up 36% year over year.

In 2020, Kinaxis saw total revenue rise 17% from the prior year to $224 million. Meanwhile, gross profit jumped 12% to $154 million. The supply chain and operating planning software space is geared up for big growth this decade. Kinaxis has vaulted Canada into a leadership position in this technological race. Investors should look to scoop up this exciting TSX stock on the dip in late March.

Invest in promising industries during a market pullback

Healthcare stocks have proven potent during the COVID-19 pandemic. Few companies have thrived during this crisis like **WELL Health Technologies** (TSX:WELL). Shares of this TSX stock have climbed over 390% from the previous year. However, the stock has plunged 18% month over month.

WELL Health has thrived due to its exposure to the emerging telehealth space. Digital healthcare consultations have become more commonplace during this crisis. This led to revenue growth of 53% for WELL Health in 2020. Software and Services revenue soared 393% to $12.3 million and adjusted gross profit rose 93% to $12.3 million.

Shares of WELL Health were down 1.9% in today's trading at the time of this writing. Now is a perfect time to jump on this exciting TSX stock in the healthcare space.

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3. TSX:TD (The Toronto-Dominion Bank)
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