



Wherever the Market Goes, I'm Buying These 3 Big TSX Stocks

Description

Timing stocks could be one of the biggest self-defeating moves in investing. Instead, picking recession-resilient, highly stable, outperforming stocks for our long-term portfolio go a long way. Here are three such TSX stocks that can keep trading higher in the long-term, irrespective of the market direction.

Canadian Pacific Railway

The second-biggest railroad stock **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) has become even more appealing after its recent **Kansas City Southern** buyout announcement. The [deal](#) will substantially increase its network and will expand its presence in Mexico and Canada.

Although Canadian Pacific is the second-biggest rail freight operator after **Canadian National Railway**, the prior has notably outperformed its bigger peer for the last several years. CP stock has returned 675% in the last decade, while CNR has returned 427%.

Rail freight carriers like Canadian Pacific faced weakness during the pandemic last year. But they were among the very few that recovered faster due to their nature of business.

Canadian Pacific's unique and expanding network should positively impact its earnings growth in the next few years. Its relatively cheaper valuation and stable dividends make it an attractive bet for long-term investors.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) operates a solid combination of regulated utilities and renewable assets. Its large regulated operations offer earnings stability while renewables offer growth. That's why Algonquin has exhibited a relatively higher earnings growth in the last few years compared to peer utilities.

Its superior earnings growth effectively translated into its market performance as well. AQN stock

returned 550% in the last decade, notably outperforming **TSX Composite Index** and peers.

AQN stock offers a stable and reliable dividend yield of 4% at the moment. Though it is lower than peer utility stocks, I think it offers a higher total return potential compared to peers. Also, Algonquin intends to increase its dividends by 10% in 2021.

Driven by its stable operations and earnings visibility, investors can expect consistently growing dividends from AQN for the longer term. I expect AQN's outperformance should continue for the next few years mainly because of its [decent dividends](#) and superior earnings growth.

Toronto-Dominion Bank

The worst seems to be over for Canadian banks. At least their reviving earnings growth and lower provisions indicate that. Canada's second-biggest **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is one top stock to play in economic recovery. Its strong presence south of the border and solid credit portfolio make it stand tall among peers.

For the most recent quarter, TD Bank's revenues grew by a decent 8%, while its net income increased by 10% year over year. TD stock currently yields 4%, in line with the peers. It has returned almost 40% in the last 12 months.

Canadian banking regulator banned banks' dividend increase in the wake of the pandemic last year. However, the ban is expected to be lifted next quarter, given the relative improvement in their credit quality.

TD will likely increase its dividends by higher single digits this year if it does not choose to remain conservative.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing
6. Metals and Mining Stocks
7. Personal Finance
8. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:CP (Canadian Pacific Railway)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:CP (Canadian Pacific Railway)
6. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing
6. Metals and Mining Stocks
7. Personal Finance
8. Stocks for Beginners

Date

2025/08/20

Date Created

2021/03/26

Author

vinitkularni20

default watermark

default watermark