



2 Top Stocks I'd Buy With \$2,000 for 2021

Description

There's plenty of optimism in the market right now, but volatility still exists. If you're hoping to take out cash in the short term, it can cause these investors to act based on their gut rather than data. During these periods of volatility, it's best to get back to basics. Rather than listening to your gut, which, frankly, is run by emotions, look at a company's fundamentals before making any investing [decisions](#).

So, if you're an investor looking to get in on today's market during a dip with just \$2,000 to invest, I've got stocks for you. These two top **TSX** stocks are perfect for those looking for safe gains in the short and long term. But as always, I recommend holding any stock long term if you want strong gains.

Top stock #1: Royal Bank

Canadian banks were some of the first to crash during the March 2020 crash thanks to the pandemic. Luckily, however, most banks were already prepared. Not for a pandemic, sure, but for an economic downturn. The banks struggled to get back up to the market, especially with tech stocks soaring. However, you'll notice today the Big Six banks are back to pre-pandemic levels.

While these stocks may not return to market-beating growth this year, I would certainly take this opportunity to grab a solid stock like **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)). The bank's shares are up 42% in the last year and 97% in the last decade for a compound annual growth rate (CAGR) of 7%. That's solid growth for any stock.

And that doesn't even include dividends. Royal Bank stock has a dividend yield of 3.69% as of writing and is a Dividend Aristocrat, meaning it's increased its dividend each year for the last 25 years or more! Meanwhile, it's paid out a dividend for over a hundred years!

Royal Bank continues to drive revenue growth through its exposure to emerging markets, the United States, and wealth and commercial management. It has the largest market capitalization of the Big Six banks at \$166 billion and is a strong buy with a price-to-book (P/B) ratio of two and a price-to-sales (P/S) ratio of 3.9. These are the fundamentals that tell you even with a share price in the triple digits, Royal Bank is a solid long-term buy.

Top stock #2: Brookfield Renewable

For more strong fundamentals and solid future growth, **Brookfield Renewable Partners** ([TSX:BEP.UN](#)) ([NYSE:BEP](#)) is a strong long-term investment for any portfolio. The clean energy producer has over 19,000 megawatts of assets around the world. It has a diverse portfolio of clean energy projects and more on the way thanks to investment around the world. In fact, in the next decade, analysts expect \$10 trillion to be invested into clean energy around the world.

But that's in the next decade. Even without that investment the stock has seen immense [growth](#) with the trend towards clean energy production. Shares are up 72% in the last year, and that's even after the clean energy market correction from January that sent shares down 17%. And in the last decade, shares are up 340% for a CAGR of 16% as of writing.

But again, you also get a dividend from this asset stock. The company currently offers a dividend yield of 3.12%, and while it isn't a Dividend Aristocrat, it does have a decade of dividend growth behind it! And what I really like about this company is, it's like owning a renewable energy index fund. The company owns assets around the world in different areas of renewable energy, from wind farms to solar power. So, you get exposure to it all!

But what's better is that you get a lot more growth potential from this stock. Meanwhile, fundamentals are solid. The company offers P/S ratio of 5.1 and a P/B ratio of 2.2, so, again, it's a strong buy for long-term investors. Between this stock and Royal Bank, long-term investors certainly can't go wrong.

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1. Bank Stocks
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3. Energy Stocks
4. Investing
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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:RY (Royal Bank of Canada)

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Author

alegatewolfe

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