



Got \$500? 3 Top TSX Stocks to Buy Right Now for 2021

Description

If you've got an extra \$500 lying around in your TFSA and have little or zero commissions, now is as good a time as any to put it to work on some top TSX stocks [for the long term](#). In this piece, we'll have a look at three Canadian stocks I'd look to buy right now ahead of the great reopening of 2021.

Top TSX stock for 2021 #1: Restaurant Brands International

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) is one of my favourite dividend-growth stocks on the entire **TSX Index**. The firm behind Tim Hortons, Burger King, and Popeyes Louisiana Kitchen is under considerable pressure amid the pandemic. It didn't have the best digital or drive-thru infrastructure in the world going into the crisis. But coming out of the pandemic, I'd argue it has the most to gain, as restrictions ease and people return to dining rooms en masse.

Despite the incredible power behind Restaurant Brands's brands, the firm has had more than its fair share of stumbles. I guess you could say it was behind the times with digital ordering tech, and the pandemic came as a rude awakening.

Modernization remains key to the firm's long-term success, and management is investing heavily in such efforts to catch up to the likes of its tech-savvier peers that have outshined it through 2020. The top TSX stock is still off considerably from its high, not just because of COVID, but because of a failure to bring out the most in the Tim Hortons brand. I think it'd be a mistake to discount the brands' long-term potential. Could a turnaround be brewing post-pandemic? Possibly. I am encouraged by order modernization and recent menu innovations.

Top TSX stock for 2021 #2: CAE

CAE ([TSX:CAE](#)) is my favourite stealthy way to play an air travel rebound. While airlines may take another two or so years to reach pre-pandemic levels, I think CAE stock will escape 2021 with a new all-time high. Why?

CAE is a simulation technology manufacturer, with a great chunk of revenues coming from pilot-training services. With many grounded flights, many pilots are inactive. Some may have been laid off and require practice before retaking the skies. That's where CAE comes in. It'll play a huge role in re-training out-of-practice pilots ahead of what could be a major pick-up in demand for air travel.

Unlike the airlines themselves, CAE boasts a solid balance sheet and a more diversified mix of operations, with exposure that extends beyond just civil aviation. The top TSX stock has come a long way since March 2020, but shares are still off over 12% from their highs — a level I believe will be broken by year's end. At 3.3 times sales, CAE is a bargain that's deserving of a further upside correction.

Top TSX stock for 2021 #3: MTY Food Group

MTY Food Group ([TSX:MTY](#)) was at ground zero of the COVID crisis last year. As a firm behind many mall food court staples like Taco Time, Vanelli's, and Thai Express, the pandemic hit MTY particularly hard. The balance sheet also was not in pristine condition last year.

Still, I'd urged investors to buy the stock after it had shed over 70% of its value in a matter of weeks. There wasn't much to go on, though, other than faith that the pandemic would end and we'd reach some form of (semi) normalcy that would relieve the name of its pressures.

As it turned out, such blind faith would have paid off big time. The top TSX stock more than tripled off its March lows. If you went on how absurdly cheap the stock was and the high odds that we would eventually find our way out of lockdown, you made a fortune. With shares consolidation in the mid-\$50 levels, I think there's much room to run, as we inch ever so closer to the post-COVID world.

Malls will fill again, and food court staples will be back in the spotlight. For now, you can get a modest discount on the name. But be warned: Canada could face another big wave that could suppress coming quarters.

Foolish takeaway

Each name is a great way to play the 2021 [reopening](#). If I had to pick one, it'd have to be Restaurant Brands. The brands and the dividend are just too good.

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2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:CAE (CAE Inc.)

4. TSX:MTY (MTY Food Group)
5. TSX:QSR (Restaurant Brands International Inc.)

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