



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

Description

While markets at large are lingering at all-time highs, some **TSX** stocks are still trading well below their fair values. Here are three Canadian stocks that offer significant growth potential for long-term investors.

Chorus Aviation

Chorus Aviation ([TSX:CHR](#)) stock has soared almost 25% so far this year and is still trading almost 50% lower to its last year's high of \$8.0.

While almost the entire global aviation sector is grounded for more than a year amid the pandemic, **Chorus** looks relatively well placed. The charter flight operator and the fleet lessor reported a relatively better financial performance last year.

It [reported](#) a 30% decline in revenues and a 70% decline in net profits. Although the financial dent is notable, Canadian passenger airlines have seen a much deeper impact and are on the brink on collapse.

As airline companies get more clarity about air travel demand post-pandemic, they will restart the investment cycle, which will bode well for Chorus.

Notably, Chorus stock is currently trading 14 times its 2021 earnings, which suggests a decent discount. In Canada's aviation sector, Chorus stock seems one of the [attractive long-term investment propositions](#). Its indirect exposure to air travel demand and diversified revenue base should fuel a relatively faster recovery.

Equitable Group

Equitable Bank is the wholly-owned subsidiary of a \$2 billion **Equitable Group** ([TSX:EQB](#)). EQB stock has soared more than 55% in the last six months, notably outperforming peer Canadian bank stocks.

Equitable Bank focuses on niche customers that larger Canadian banks do not generally serve.

A \$2 billion Equitable Group a relatively risky bet compared to the Big Six Canadian banks. However, it offers higher growth potential because of its relatively higher margins.

Given the stimulus packages and vaccination efforts, the ongoing economic recovery will likely continue to boost markets. Undervalued bank stocks like Equitable Group should play well amid the rally and could keep on beating peer bank stocks.

Tourmaline Oil

Energy stocks currently seem in great shape and can provide effective diversification. Energy has already one of the top rallied sectors since last year's crash.

Canada's natural gas giant **Tourmaline Oil** ([TSX:TOU](#)) could be a great pick right now. It is up almost 80% this year, beating the **TSX Composite Index** by a wide margin.

Tourmaline Oil management has provided optimistic guidance for 2021. It aims to create \$1.1 billion in free cash flow this year, which will be used for debt repayments, dividend increases and acquisitions.

Tourmaline Oil's revenues in Q4 2020 grew by a decent 19%, while net income jumped a notable 926% year-over-year.

The company looks well placed for an upbeat performance because of its higher production target this year and lower costs. Also, higher demand and superior gas prices will likely play well for its earnings growth this year as well.

Bottom line

Overvalued stocks might have limited upside from their current levels. However, these TSX stocks are trading at notable discounts and offer decent growth potential.

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TICKERS GLOBAL

1. TSX:CHR (Chorus Aviation Inc.)

2. TSX:EQB (EQB)
3. TSX:TOU (Tourmaline Oil Corp.)

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