3 Top TSX Stocks to Buy Right Now if You Have $1,000

Description

Forget a market crash. TSX stocks at large seem well placed amid the impending economic recovery. The post-pandemic rally could continue in 2021 and beyond. If you are out of the markets, it makes sense to enter them. Here are three top TSX stocks that offer decent growth potential for the long term.

Top Canadian stocks to buy in 2021: goeasy

The year 2021 is turning out to be a great one for **goeasy** (TSX:GSY) investors. Its superior quarterly earnings growth and management's upbeat guidance helped the stock this year. It is up almost 50% so far in 2021.

Top consumer lender goeasy announced the acquisition of Lendcare for $320 million on April 13. Lendcare is a Canadian point-of-sale consumer finance company. The strategic buyout is to expand goeasy's product base and distribution channel notably. This will likely accelerate goeasy's earnings growth in the next few years.

A $2 billion company goeasy has seen superior earnings growth in the last two decades. Its per-share earnings have grown by 24% compounded annually since 2001.

The company could see even higher demand for consumer loans once pandemic-related restrictions wane. Given its superior earnings growth potential, GSY is one of the best growth stocks to buy right now.

Top Canadian stocks to buy in 2021: BRP

The powersports vehicle maker **BRP** (TSX:DOO)(NASDAQ:DOOO) has also been a consistent performer for the last several years. It has returned almost 480% in the last five years, thrashing the **TSX Composite Index**.

The pandemic and mobility restrictions dominated BRP stock when it touched a multi-year low of $18

in March last year. On April 14, 2021, the stock touched record levels of $118. That's more than a 555% return in just over a year.

BRP, which houses top brands like Ski-Doo, Sea-Doo, and Lynx, saw major demand recovery in Q4 2020. The management raised guidance for 2021, and it expects year-over-year earnings growth of 40%.

BRP plans to invest $300 million to make electric vehicles by 2026. Its strong product portfolio and dominant presence worldwide will bode well for its EV segment.

Importantly, BRP stock looks reasonably valued at the moment. Its above-average earnings growth prospects and foray into EVs should play well for the stock.

Top Canadian stocks to buy in 2021: Hydro One

After two growth stocks discussed in this article, the third one is a relatively stable, dividend-paying pick . This will go well from a diversification perspective as well. Top utility stock **Hydro One** (TSX:H) yields 3.4%, which is in line with the TSX stocks at large.

Hydro One is a transmission and distribution utility company that primarily operates in Ontario. It obtains a majority of its earnings from regulated operations, which facilitates stability and visibility.

Hydro One offers an extra layer of safety for investors, as it is not involved in power generation. This saves big on upfront capital investments and results in a relatively lower debt burden.

Hydro One stock has returned 70% in the last five years. That certainly looks insignificant in the age of superior returns of top growth stocks and Bitcoin. However, stability is also equally important in long-term investing, not just growth.

Even if you are a growth-focused investor, having some exposure to utility stocks makes sense. Their stable dividends and less-volatile stocks act as a hedge in market downturns.

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TICKERS GLOBAL

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2. TSX:DOO (BRP Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:H (Hydro One Limited)

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