



Got \$1,500? Top TSX Stocks to Buy in April

Description

With the third wave of the pandemic bringing back the April 2020-like scenario, there will be significant momentum in the stock market. In such times, a well-diversified Tax-Free Savings Account (TFSA) portfolio can mitigate your downside and accelerate your upside.

How to diversify your portfolio

There are many ways to diversify your portfolio:

- With the size of the company: large, mid, and small cap;
- with the nature of the stock: growth, dividend, resilient; and
- With exposure: sector-wise, geographic.

The list is long. You can either opt to buy an [ETF](#) to get exposure to multiple shares in your diversification theme or buy individual stocks. For instance, if you buy a sector ETF, it will hold all types of shares — large cap to small cap and growth stocks to resilient stocks — in that sector. If you buy an index ETF, you will also get sector diversification, but your portfolio may not outperform the market.

If you want to outperform the market, you need to take risks and invest in individual stocks. But you can take a calculative risk and minimize your losses by choosing the stocks wisely.

BCE stock

I suggest you start with a safe stock, as it will build your confidence in the stock market. **BCE** ([TSX:BCE](#)) ([NYSE:BCE](#)) is a large-cap dividend stock that has surged 5.8% year to date. It is the telecom giant of Canada that enjoys regular incremental cash flows from its users. BCE is an essential service and unaffected by the economic crisis. Moreover, its 6% dividend yield will mitigate any downside from other stocks.

It took BCE years to build Canada's largest telecom network. The company has a history of paying [dividends](#)

since 1983. In the last 12 years, the company has been increasing dividends at an average annual rate of 8%.

BCE is aggressively investing in expanding its 5G footprint. This might slow its dividend-growth rate for the next few years (2021 dividend growth was 5.1%). But once the 5G cash flow starts coming in, it might accelerate its dividend growth, as the 5G potential is way more than 4G.

Descartes stock

Once you have locked a good dividend yield, it time to focus on some resilient growth stocks.

Descartes Systems ([TSX:DSG](#))([NASDAQ:DSGX](#)) is a mid-cap resilient stock with exposure to multiple sectors. Its supply chain management solutions are essential services. As long as goods, services, and information are traded, Descartes will earn revenue. Because of its diverse portfolio and customer base, it enjoys stable cash flows. During the pandemic, the decline in airlines and business-to-business volumes was offset by a surge in e-commerce volumes.

Descartes stock surged 9.4% year to date and at a 21.7% compounded annual growth rate between 2015 and 2020. There may be periods of slow or no growth, but it is likely to deliver strong growth in the long term. It is a stock to buy at the dip and hold if you want to beat the market.

High-risk stocks

Then there are some volatile high-growth stocks like **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). It is a mid-cap cybersecurity stock that has gained leadership in the niche of mobile communication. Now, it is tapping vehicle communication and internet of things security. The market is niche but has growth potential. BlackBerry has all the tech it needs to succeed. But if a giant decides to overthrow the competition, BlackBerry stock could be under pressure.

HIVE Blockchain is a small-cap stock, growing by leaps and bounds by mining cryptocurrency. The crypto market in itself is unstable. If major governments ban crypto as an alternative to paper currency, the entire crypto mania will end.

The risks are very high, and so are the rewards. Stocks of BlackBerry and HIVE have surged 23% and 63%, year to date, respectively.

Investor corner

If you have \$1,500 in your TFSA, invest \$700 each in BCE and Descartes, and then leave the \$100 for high-risk stocks. Even if you lose the entire \$100 in the risky stocks, and there is no growth in the other two stocks, BCE's \$42 annual dividend on the \$700 investment will recoup your loss in three years.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:BB (BlackBerry)
3. NYSE:BCE (BCE Inc.)
4. TSX:BB (BlackBerry)
5. TSX:BCE (BCE Inc.)
6. TSX:DSG (The Descartes Systems Group Inc)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing
3. Tech Stocks

Date

2025/07/07

Date Created

2021/04/20

Author

pujatayal

default watermark

default watermark