



3 Top Picks to Consider This Summer

Description

Summer is right around the corner. That's as good an excuse as any to do some portfolio cleanup.

With the stock market seeing some increased volatility in recent days, looking for top-quality defensive picks to integrate into one's portfolio is a great idea today. These three [top picks](#) are some of the best defensive names on the TSX right now, in my view.

Algonquin Power

The hybrid business model with a diverse renewable portfolio makes **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)) a hot play in the utilities sector.

Recently, the company has emerged as an impressive bond proxy in the market. Thus, it's triggering a lot of positive buzz around its long-term prospects.

If its bond-like yield wasn't lucrative enough, Algonquin also has strong core fundamentals to rely on. The company's regulated utilities business provides a degree of defensiveness utilities plays generally provide. However, Algonquin's investment in high-growth segments of the renewable power space make this stock a great defensive growth play for long-term investors.

As ESG investing continues to pick up steam, now's a great time to consider this play.

Kirkland Lake Gold

Though gold continues to underperform, I still think there's tonnes of upside for this defensive sector right now. For those looking to play gold, I think gold miners are the way to go. And among gold miners, **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is definitely a top pick of mine.

Why?

Well, for starters, Kirkland Lake is currently trading at a dirt-cheap price. The company's valuation

multiple of only 13-times earnings is well below where it should be relative to the sector.

Additionally, the company's earnings results have been impressive of late. Given the company's low cost of production, and the higher price of gold of late, Kirkland Lake has been printing cash. This company's year-over-year revenue growth of 69% has blown away expectations. Earnings growth of 38% year-over year isn't shabby as well.

Gold's about as safe a sector as one can invest in long-term. Those seeking a portfolio hedge can't do much better than with Kirkland Lake right now.

TD Bank

Stability and income are the top goals for every conservative investor. While there are certainly some great options available in the market, my vote still goes to **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) in the banking space.

Canadian banks have recovered nicely from the pandemic-induced crisis we saw a year ago. Among its peers, TD has been one of the best performers of late. The company's U.S. exposure has turned out to be a good thing, given the rate of reopening south of the border.

Additionally, TD's focus on operational efficiency has helped this stock tremendously. The bank has focused on streamlining its operations, focusing on digital banking initiatives to improve margins over time.

These initiatives will continue to pay dividends (figuratively and literally) for long-term investors. Accordingly, for those seeking defensive growth, TD is among the best banks to consider today.

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2. NYSE:TD (The Toronto-Dominion Bank)

3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:TD (The Toronto-Dominion Bank)

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