



## 3 Top Canadian Stocks to Buy in May 2021

### Description

Many Canadians are sitting on extra cash since last year due to lower avenues to spend and for the sake of financial security. But if you are hoarding it more than what you might need, then you are overly conservative and missing on many growth opportunities. Investing this extra cash in quality TSX stocks could earn decent return over time and will also create a dividend income. Here are three top Canadian stocks that offer handsome growth prospects for the long term.

### BRP

The \$10 billion powersports vehicle maker **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)) is my top pick. The stock is up almost 200% in the last 12 months. It offers handsome growth prospects, mainly driven by the expected higher demand in the post-pandemic world.

BRP operates in more than 120 countries and has a dominant market share in watercraft and snowmobiles. The Ski-Doo and Sea-Doo maker earns 54% of its revenues from the U.S., while 30% comes from global operations, and the rest comes from Canada.

Once people move out and are allowed to spend, their large chunk of spending will likely go to travel and leisure. BRP saw [robust demand recovery](#) in Q4 2020, which might get affected by more stringent restrictions in Q1 this year. However, its strong product base and leading market share could fuel a handsome recovery in the second half of 2021 and beyond.

BRP stock has returned almost 500% in the last five years, notably beating the **TSX Composite Index**.

### Dollarama

The discount retailer stock **Dollarama** ([TSX:DOL](#)) is a solid combination of growth and stability. It returned 1,150% and was one of the [top performers last decade](#). Notably, the stock has a tendency to stay resilient during market downturns.

Amid the pandemic-led market crash last year, TSX stocks on average fell almost 35%, but Dollarama stock dropped 15% and outperformed.

The company posted revenue growth of 6%, while its net income stayed flat in the fiscal year 2021 compared to fiscal 2020. Dollarama operates more than 1,300 stores in Canada, beating peers by a wide margin. Its unique value proposition and expansive presence stand tall among peers.

The company intends to expand aggressively and will open 65 new stores in fiscal 2022. I think its geographical footprint will continue to remain the focal point for its growth. Investors can expect a consistent performance from Dollarama driven by its stable earnings and a reasonably valued stock.

## AltaGas

**AltaGas** ([TSX:ALA](#)) is a utility and energy midstream company that pays stable dividends. It yields 4.5% at the moment — higher than TSX stocks at large.

Despite being in a relatively volatile energy industry, AltaGas generates stable cash flows mainly due to its low-risk and diversified operations. It is an energy infrastructure company that connects natural gas consumers to producers. AltaGas delivers gas to more than 1.6 million customers in the U.S. and Canada.

ALA stock is up more than 40% in the last 12 months. Its stable earnings growth will likely continue to fund consistently growing dividends for the next few years. AltaGas's attractive valuation and a decent dividend profile make it one of the most stable stocks to buy today.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
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7. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DOOO (BRP Inc.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:DOL (Dollarama Inc.)
4. TSX:DOO (BRP Inc.)

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