



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

Description

TSX stocks at large have gained almost 30% in the last 12 months. As markets linger around all-time highs, stock valuations will play a crucial role going forward. Reasonably valued stocks will likely continue to soar higher in 2021. Here are three top TSX stocks that offer decent gain potential.

Nuvei

Canada's fast-growing fintech company **Nuvei** ([TSX:NVEI](#)) reported yet another strong quarterly performance on May 10. Its revenues grew a handsome 80% year over year to US\$149.9 million. The company recorded the best quarterly growth so far, driven by strong contribution from its e-commerce business.

An \$11 billion payment processing company Nuvei was listed in September last year and has returned 80% since then.

Apart from stronger quarterly earnings, Nuvei issued upbeat guidance for 2021. It now expects to earn revenues of US \$610 million to US \$640 million in 2021. That indicates a steep annual top line growth of 67%.

Nuvei seems to be on an acquisition spree. It announced the acquisition of Simplex for \$250 million last week. Simplex provides fiat infrastructure to the cryptocurrency industry. Last month, Nuvei announced the acquisition of Mazooma, a U.S.-focused sports betting payment platform provider.

Nuvei offers remarkable growth prospects with its organic and recent inorganic growth. The stock could well rally to \$100 driven by its recent acquisitions, strong quarterly performance, and upbeat guidance.

Algonquin Power & Utilities

Along with growth, you should also have defensive stocks in your long-term portfolios. Consider top utility stock **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). It yields 4.3% and pays

consistently growing dividends.

The utility company generates a large chunk of its total earnings from regulated operations, which provides earnings and dividend stability. Algonquin generates almost 30% of its total revenues from renewable assets.

Utilities are recession-resilient stocks and offer stable return potential to shareholders in almost all kinds of markets. Their low-risk operations earn visible revenues even in economic downturns, which ultimately drive investor dividends.

AQN stock has returned a mere 6% in the last 12 months. However, it has significantly outperformed broader markets in the long term. In the last decade, AQN returned 525%, while TSX stocks at large returned 50%.

Air Canada

Air Canada ([TSX:AC](#)) stock has been trading subdued for the last few weeks. However, hopes of releasing travel restrictions could drive the stock higher. 39% of the Canadian population has received at least one dose so far. The number stands at 35% in the US. Driven by widespread vaccinations and strong demand from the airlines, Canada might soon loosen its air travel restrictions.

AC stock could rally in that case, which will ultimately help begin its revenue recovery and minimize cash burn. In Q1 2021, Air Canada's net cash burn stood at \$1.3 billion. Although the cash burn in absolute terms looks remarkably large, it is much lower than global peers.

TD Securities [upgraded](#) Air Canada stock amid hopes of normal travel patterns. It has given AC stock a price target of \$30 for the next 12 months, representing an upside potential of 20%.

The recovery prospects have improved after low-interest loans from the Canadian government. Air Canada's leading market share, operational efficiency, and disciplined cost management could fuel relatively faster recovery post-pandemic.

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AC (Air Canada)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:NVEI (Nuvei Corporation)

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