3 Top TSX Stocks to Buy for the Long Term

Description

Today, uncertainty continues to grip the market. Investors are increasingly orienting their portfolios away from growth stocks. Instead, defensive value stocks are coming into focus for many investors.

Each of these three picks carries an element of defensiveness and value. In my view, these three top **TSX** stocks are among the best long-term picks for investors today.

Let's dive in.

Royal Bank of Canada

A banking behemoth in Canada — and the world for that matter — **Royal Bank of Canada** (TSX:RY)(NYSE:RY) remains one of my top picks. This top bank is often looked to as a core portfolio holding. And for good reason.

Royal Bank has consistently performed as long-term investments should. The bank's earnings per share growth and reliable dividend income provide a terrific one-two punch for investors.

Additionally, Royal Bank provides a level of diversification that other banks can't. The company's diversified revenue streams aren't only diversified across various businesses. Indeed, Royal Bank has among the strongest capital markets and wealth management divisions of its peers. Rather, Royal Bank is diversified geographically as well. This is as close to a global bank as one can get in Canada anyway.

Royal Bank is currently trading at a reasonable valuation multiple of around 15 times earnings. Additionally, this company offers investors a dividend yield of 3.6% to sit tight with this stock.

For those seeking defensiveness, value, and income, Royal Bank is a great long-term pick.

Restaurant Brands

The fast food space is one that is inherently defensive. Folks need to eat, and lower-priced dining options tend to come into favour in times of turmoil.

Accordingly, stocks like **Restaurant Brands** (TSX:QSR)(NYSE:QSR) provide a nice defensive backdrop for long-term growth.

Restaurant Brands is extremely well positioned as a reopening play. It has an extremely diverse portfolio of banners, including Tim Hortons, Popeyes Louisiana Kitchen, and Burger King, which is downright enviable in this space.

As vaccine rollouts prove effective, pandemic-induced restrictions will be removed. This is an inherently bullish setup for Restaurant Brands right now.

Spin Master

Coming out of the pandemic, most expect discretionary spending to pick up steam. In this environment, stocks like **Spin Master** (TSX:TOY) are set up nicely to outperform.

Spin Master operates in the children's toy and gaming segment. Recently, the company has moved into the digital gaming space in a big way. The company's 400% year-over-year increase in this segment on the back of the impressive performance of apps like Toca Life highlights the performance Spin Master has seen in this growth area.

Spin Master's brands provide this company with a significant moat. While this stock may be the least defensive of the group, its growth profile is superior. Indeed, I think the risk-adjusted long-term outlook for this stock is excellent.

Accordingly, I'd recommend those looking for long-term returns consider this stock right now.

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2. NYSE:RY (Royal Bank of Canada)
3. TSX:QSR (Restaurant Brands International Inc.)
4. TSX:RY (Royal Bank of Canada)
5. TSX:TOY (Spin Master)

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