



Got \$3,000? 3 TSX Stocks to Buy Today

Description

Although markets are trading close to all-time highs, some **TSX** stocks still offer handsome return potential. Consider investing in these Canadian names for decent long-term gains.

Premium Brands Holdings

Premium Brands Holdings ([TSX:PBH](#)) has seen a consistent revenue surge in the last few quarters after a notable dip in fiscal Q2 last year. A \$5.3 billion Premium Brands is a leading food-processing company that houses famous brands like Penguin Meat Supply, Harvest Meats, Piller's, Freybe, and Expresco.

In the recently reported quarter, the company reported a little over billion dollars in revenues, an increase of 8% year-over-year. Premium Brands expects the pandemic as a temporary phenomenon and sees its revenues touching \$6 billion by 2023.

It operates in two segments: Specialty Foods, which is involved in manufacturing food that offers convenience and lifestyle. The other one is Premium Food Distribution that takes care of its wholesale business and differentiated food distribution.

The company has been quite active on the [acquisitions](#) front as it emerges from the pandemic. In the last quarter, it completed the acquisition of 50% interest in **Clearwater Seafood** and 100% interest in Starboard Seafood.

PBH stock is up almost 20% so far this year. It looks a bit stretched from the valuation perspective after the rally. However, re-opening hopes and upbeat long-term sales guidance could continue to boost the stock.

Fortis

Conservative investors can consider increasing their defensive exposure as markets look a bit shaky

close to record highs. Top utility stock **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) could be an excellent pick in these times. Its slow stock movements and stable dividends will act as an effective hedge if markets turn volatile.

Fortis earns almost the entire of its earnings from regulated operations. Regulated operations are highly stable, low-risk, and provide cash flow visibility for the future. They make the company's financials and, ultimately, shareholder returns relatively recession-resilient.

FTS stock currently yields 3.7%, in line with TSX stocks at large. It has increased [dividends](#) for the last 47 consecutive years. Such a long increase streak suggests dividend reliability and stability. Fortis intends to raise dividends by 5% per year for the next few years.

Toronto-Dominion Bank

At the end of the recently reported quarter, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) had relatively better credit quality than peers. TD Bank had the CET1 (common equity tier 1) ratio of 13.6% as against the peers' average close to 12%. The ratio indicates the bank's financial cushion to weather the economic shock.

Apart from the better credit profile, TD Bank's geographical presence will likely be a crucial factor post-pandemic. Its large presence in the U.S. could drive significant growth once economies re-open, probably in the second half of 2021.

Canadian banks will report the next quarterly earnings later this month. Apart from their financial growth, how loan loss provisions reversed during the quarter will also be interesting to see.

TD Bank stock yields 3.7% at the moment. Though the yield is not remarkably higher, it offers attractive total return prospects for the long term. In the last 12 months, TD Bank stock has returned almost 65%, beating the **TSX Composite Index**.

CATEGORY

1. Bank Stocks
2. Coronavirus
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TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:FTS (Fortis Inc.)
4. TSX:PBH (Premium Brands Holdings Corporation)
5. TSX:TD (The Toronto-Dominion Bank)

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