



Here Are 3 Top Canadian Stocks to Buy in 2021

Description

So far, it's been a really good year for Canadian stock market investors. The **S&P/TSX Composite Index** is sitting nicely up almost 12% year to date. It certainly helps that many stocks that make up the index include materials, metals, energy, and financials. Many of these stocks stand to benefit from a recovery out of the COVID-19 pandemic.

Yet investors need to be careful not to think too short term. Certainly, inflation and rising interest rates could provide some cyclical gains over the next year or so. It is important to balance this by also holding [stocks that have multi-year trends](#) supporting their growth. That is why today I am discussing three top Canadian stocks that should have both short- and long-term opportunities for growth ahead.

A global convenience store consolidator

Alimentation Couche-Tard (TSX:ATD.A)(TSX:ATD.B) is an interesting pandemic recovery stock. As of late, this Canadian stock has been moving up. However, since the start of 2021, it is only now breaking even. This is partly because its stock collapsed after failing to acquire French grocer Carrefour. It took almost four months for the market to warm up again.

Couche-Tard is one of the largest publicly traded owner and operators of convenience stores and gas stations. On a personal basis, I love its stores and especially its ice cream, Frosters. As summer heats up, and people start to travel again, this business should enjoy strong gasoline sales margins and higher convenience product volumes.

This company is very good at allocating capital, both in acquisitions and organically. It produces attractive adjusted EBITDA margins and lots of free cash flow. Right now, the company is aggressively buying back its stock. It is just an all-around great quality business to own for the long term.

A top Canadian real estate stock

Another stock that will benefit from a more “normal” post-pandemic world is **Minto Apartment REIT** ([TSX:MI.UN](#))

). It owns a high-quality portfolio of 29 residential properties across Ottawa, Toronto, Montreal, and Western Canada.

I like this stock for a few reasons. Firstly, residential assets are great, because everyone needs to live somewhere. Despite a pandemic or even an economic downturn, rental residences are essential. Likewise, [the cost of home ownership](#) in many of Minto's core geographies is prohibitive. Consequently, there will always be stable demand for its properties.

Secondly, as Canada opens up, so will immigration, provincial migration, and temporary migration (like students looking for housing). Minto's well-located properties are perfect beneficiaries of these normal movement trends.

Lastly, in an inflationary environment, real estate is a great hedge. While a REIT's cost of capital is stable, the value of their assets often rise parallel to inflation. Likewise, residential REIT's are able to quickly adapt to economic changes by raising rents on an annual basis. All this means that this Canadian dividend stock looks solid now, and really good in the future to come.

A top Canadian renewable power stock

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is my stock pick for the remaining decade to come. The world is steadily looking to decarbonize. The trend towards renewable power is only going to proceed onward and upward. Given this, you might as well own one of the best green energy businesses in the world.

With a market capitalization of over \$12.2 billion, BEP is one of the largest pure-play energy stocks on the planet. It operates over 20,000 megawatts (MW) of hydro, wind, solar, battery, and distributed energy across the globe. Yet, it also has a *huge* development pipeline of over 27,000 MW. This will fuel years of compounded cash flow growth.

This Canadian stock has been on a steep decline since the start of the year. However, now this stock's valuation is starting to look quite attractive. It pays a 3.59% dividend today. Get paid to wait while this company helps build out the framework for a clean, green energy future.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:MI.UN (Minto Apartment Real Estate Investment Trust)

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Author

robbybrown

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