



3 TSX Stocks to Buy Now That Could Make You Very Rich

Description

Despite the pandemic in the background, I see strong growth opportunities in a few TSX stocks. The ongoing vaccination efforts, steady improvement in the economy, and revival in demand provide a long runway for growth. We'll focus on three such TSX stocks that are expected to benefit from the economic expansion and could make you very rich in the long run. However, the resurgent virus indicates these stocks could remain volatile in the short term.

Suncor Energy

The crude oil prices that slumped in 2020 amid the COVID-19 pandemic marked a stellar recovery in 2021, providing a solid base for outsized growth in **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock. Notably, the improvement in demand and higher average prices have led to a recovery in Suncor stock, which is up about 32% this year.

Despite recent recovery, Suncor stock is still trading cheaper than its pre-COVID levels and is an attractive long-term pick. I expect Suncor to deliver strong operational performance in the coming quarters. Suncor is likely to deliver solid funds from operations and reduce its debt, which augurs well for future growth.

The improvement in demand for oil and refined products, higher prices, and favourable revenue mix are expected to drive its revenues and margins. Meanwhile, its integrated assets, solid momentum in the upstream and downstream business, and productivity and cost savings are likely to accelerate its growth. Further, Suncor Energy could continue to enhance its shareholders' value through share repurchases and regular quarterly dividend payments.

Scotiabank

I have said before that I am bullish on [top Canadian banks](#), primarily on **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)) due to the pickup in demand, economic expansion, and its low valuation compared to peers. Notably, Scotiabank stock witnessed strong buying in the recent past, and I expect the uptrend to sustain in 2021 and beyond.

The reopening of its economy, revival in credit demand, and momentum in its non-interest income provide a solid base for growth. Its diversified revenue streams, exposure to the high-growth banking markets, and expected improvement in loans and deposit volumes are likely to drive its revenues and earnings. Also, expense management and a decline in credit provisions could boost its earnings significantly and drive its dividends.

Scotiabank is also trading cheap compared to peers. Its price-to-earnings and price-to-book value multiples are 11.1 and 1.4, reflecting a significant discount to the peer group average. Besides trading cheap, Scotiabank offers a solid yield of 4.6%.

Air Canada

The ongoing vaccination efforts and expected improvement in air travel demand have led to a stellar recovery in **Air Canada** ([TSX:AC](#)) stock. Its stock is up about 50% in one year, yet it is trading about 50% lower than its pre-COVID levels, providing a solid opportunity for buying.

I expect Air Canada stock to deliver strong returns in the long run and make its investors very rich. The accelerated pace of vaccination and easing of travel measures is likely to boost its financial and operating performance and, in turn, [drive its stock higher](#).

Air Canada's operating revenues and capacity are likely to show stellar growth once its operations return to normal. Furthermore, I expect its net cash burn to decline on a quarter-over-quarter basis. While air travel demand could gradually pick up the pace, the strong momentum in its air cargo business is likely to support its growth.

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1. Bank Stocks
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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AC (Air Canada)
4. TSX:BNS (Bank Of Nova Scotia)
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