



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

Description

Cryptocurrencies are falling, while inflation has surged to record levels. Notably, amid all this chaos, equities at large have been relatively stable and continue to offer decent growth prospects. Here are three top TSX stocks to consider for the long term.

Royal Bank of Canada

Canadian bank stocks will likely be one of the brightest areas among broader markets this year. Provisions for loan losses, which averaged around several billion dollars last year, should reverse this year, ultimately improving banks' bottom lines.

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)), the biggest in the sector, is set to release its fiscal Q2 2021 earnings on May 27. The revenue and earnings growth will likely remain encouraging amid the stable economic recovery and surging capital markets. The highlight will be the loan-loss reserves.

Last year, amid the pandemic, Canadian banks turned a little too conservative and set aside billions for potential bad loans. However, aggressive stimulus spending and relatively faster recovery from the pandemic helped the economy, and bad loans were significantly lower than expected.

Canadian banks, including Royal Bank, should see a green light this year from the banking regulator to increase [dividends](#), as their asset quality has remained strong. Royal Bank currently yields 3.5%, close to the industry average. Royal Bank's scale and better credit quality should fuel a faster recovery post-pandemic.

Wheaton Precious Metals

As inflation has started to accelerate recently, the yellow metal will likely begin to shine even brighter. Thus, gold miner or streamer stocks could be an attractive bet in this inflationary environment.

Consider **Wheaton Precious Metals** ([TSX:WPM](#))([NYSE:WPM](#)). Unlike traditional miners, streamers

offer a relatively better risk/reward proposition for investors. Streamers like Wheaton outsource mining operations and save big on capital investments, minimizing the mining and political risk.

Wheaton generates nearly 65% of its revenues from gold, while the rest comes from silver. It currently has streaming agreements with 23 operating mines and eight development-stage projects.

Driven by higher production and higher gold prices, Wheaton's profit zoomed to US\$507 million in 2020 from US\$86 million in 2019. If the yellow metal prices continue to remain supportive, gold producers will likely see substantial earnings growth in 2021 as last year.

Air Canada

The flag carrier stock **Air Canada** ([TSX:AC](#)) has been trading in a narrow range for the last several weeks. However, for those looking to invest for the longer term, AC stock still looks like an appealing bet. It offers attractive growth potential, particularly for the post-pandemic environment.

According to International Air Transport Association's [outlook](#), there will be approximately 2.4 billion air passengers this year — a 33% increase against 2020.

Indeed, Air Canada could take longer to reach its 2019 profitability levels amid all the pandemic-related uncertainties. But Air Canada's strong balance sheet and controlling market share will likely influence a relatively faster recovery.

As the global population's vaccination percentage increases, air travel will gradually normalize towards the end of 2021. Air Canada's top line could see significant growth in the second half of the year, which will likely drive AC stock higher.

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