3 Top Canadians Stocks to Buy Now for $50

Description

Canadians with investment appetites can park their money in large-cap companies and earn dividends from them in 2021 and beyond. Among the stocks that trade for $50 or thereabouts are **Emera** (TSX:EMA), **Metro** (TSX:MRU), and **IGM Financial** (TSX:IGM).

The **TSX** stocks can form your top-notch dividend portfolio. All three boast solid business fundamentals and possess the ability to sustain dividend payments for years. Likewise, they all offer capital protection and potential capital gains in the economic recovery phase.

Defensive holding

Utility stocks are defensive assets. Emera is among the solid choices because of its rock-solid dividends regardless of the economic environment. The $14.36 billion diversified energy and services company serves residential, commercial, and industrial customers in North America.

Emera's portfolio consists of electric and natural gas utilities, natural gas pipelines that are predominantly regulated. With its strong regulated asset base, dividend payouts are sustainable. If you were to invest today, the share price would be $56.61. The dividend yield is 4.5%, although management targets a 4% to 5% annual dividend growth by 2022.

Since Emera will continue to derive 95% of future earnings and cash flow from highly regulated utilities, you can purchase the recession-resistant stock today and hold it for years, if not decades.

Recession-proof asset

Metro is a no-brainer choice if you want to stabilize and recession-proof your stock portfolio. The market segmentation makes the business of this $14.23 billion company resilient. Food and pharmaceutical operations are essential whether the economy is booming or declining.

As a grocer, Metro operates a network of 953 food stores. The brands include Metro, Metro Plus, Adonis, Food Basics, Premiere Moisson, and Super C. The pharma segment consists of 648 drug stores with leading brands such as Jean Coutu and Metro Pharmacy.

If you review the company's performance in the last five years, including the year ended September 26, 2020, Metro was never in the red. In Q2 fiscal 2021 (quarter ended March 13, 2021), sales and net earnings increased by 5.1% and 6.8%, respectively, versus Q2 fiscal 2020.

At 57.86% per share, Metro pays a modest 1.73%, while the payout ratio is a very low 28.12%. Regarding the business outlook, management expects food revenues to keep growing above the average pace. Meanwhile, in-store order services and online shopping promotions should boost pharmacy sales.

Leading mutual funds distributor

IGM Financial belongs to the **Power Financial Group** under the umbrella of **Power Corporation of Canada**. The $10.63 billion company is one of the largest distributors of mutual funds and other managed asset products in Canada. Under the IGM umbrella are operating subsidiaries IG Wealth Management and Mackenzie Investments.

Besides its strategic investments in China Asset Management, IGM has ownership stakes in **Great-West Lifeco** and fast-growing fintech company Wealthsimple. The business caters to financial advisors and clients in its home country and institutional investors in North America, Asia, and Europe.

IGM is a superb pick. At $44.61 per share at writing, the dividend yield is a lucrative 5.04%. The year-to-date gain is 31.15% and analysts see a potential upside of 23% to $55 in the next 12 months. Over the last 38.5 years, IGM's total return is 7,259.86% (13.25% compound annual growth rate).

Excellent financial shape

These stocks are great additions to any investor's dividend portfolio. All three companies should be in excellent financial shape for years to come.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)
2. TSX:IGM (IGM Financial Inc.)
3. TSX:MRU (Metro Inc.)

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Date
2025/08/16
Date Created
2021/05/27
Author
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