2 Top Stocks to Buy With $1,000 in June 2021

Description

The TSX opened above the 20,000 level for the first time on June 2, 2021. after closing at an all-time high (19,976.20) the day before. Canada's primary stock exchange continues its hot streak from May to push its year-to-date gain to 14.89%.

Market observers agree that the TSX has more than recovered from its COVID low. None of the 11 primary sectors are in negative territory. As oil prices increase due to rising demand, the energy sector (+52.9% year to date) keeps advancing.

Barry Schwartz, Baskin Wealth's chief investment officer, said the rally makes sense. Several companies have commodities that are very much in demand right now. Also, more businesses should recover when the economy reopens, and things are back to normal.

The TSX on the path to an explosive year. Even Canadians with only $1,000 to invest can create passive income. You can split the money equally to buy high-yield dividend stocks like **Rogers Sugar** (TSX:RSI) and **Extendicare** (TSX:EXE).

Higher volumes

Rogers Sugar expects higher volumes for its sugar and maple business segments for the rest of fiscal 2021. In the first six months (ended April 30, 2021), revenue and net earnings increased 7.7% and 45% versus the same period in fiscal 2020. Sugar volume was 10,584 metric tons higher, while maple syrup increased 13.3% to 29,106 (thousand pounds).

John Holliday, president and CEO of Rogers and Lantic, said the company was able to provide consistent, reliable supply and meet customers' needs due to added operational flexibility. He's confident sugar sales would remain high and deliver far better results than fiscal 2020. Rogers's production improvements in its maple business should lead to stronger profitability.

Rogers Sugar expects to end fiscal 2021 with higher sugar volumes (industrial and liquid), or 15,000 metric tons more than the previous year. Export volumes should likewise increase by 5,000 metric tons due to new liquid customers and the Canada-United States-Mexico Agreement (CUSMA) special quotas. If you were to purchase the consumer staple stock today, the share price is $5.91. The $611.9 million sugar producer pays a hefty 6.09% dividend.

Turning point

The COVID-19 pandemic caused panic in the long-term-care (LTC), retirement living, and home healthcare industry because of the coronavirus outbreak. However, Extendicare weathered the storm in 2020. According to its president and CEO Dr. Michael Guerriere, Q1 2021 (quarter ended March 31, 2021) marks the turning point.

Infection cases dropped dramatically in Extendicare’s homes due to its successful vaccination program for residents and staff. As a result, revenue and net operating income increased 18.6% and 32.6% compared to Q1 2020. The numbers would have been higher if the average occupancy rate didn’t drop from 97% to 82.9% due to reduced admissions.

The $731.72 million provider of LTC, retirement living, and home healthcare services received funding support from the provincial government of Alberta and Ontario. It offset the $11.9 million in temporary pandemic pay increases for eligible front-line staff in Q1 2021.

Thus far, in 2021, the healthcare stock (+27.01%) has outperformed the TSX and trades at $8.20 per share. Extendicare’s dividend offer is an attractive 5.85% dividend.

From idle to productive cash

Since the average yield of the two dividend stocks is 5.97%, a $1,000 investment can generate $59.70 in extra income which idle cash can’t produce. Hold them in a Tax-Free Savings Account, and your earning is tax-free.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EXE (Extendicare Inc.)
2. TSX:RSI (Rogers Sugar Inc.)

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