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

Description

Do you think Canadian markets will continue to soar higher? While many TSX stocks currently look priced to perfection, some Canadian names are still trading way lower than their fair values. Here are the top three TSX stocks among them that offer decent growth potential for long-term investors.

Cargojet

Air cargo operator stock **Cargojet** (TSX:CJT) has been quite weak, losing more than 30% since late last year. However, this seems to be an overreaction from investors, and the stock looks poised for growth.

Cargojet's financials notably jumped in the last few quarters amid a dramatic increase in cargo volumes. In Q1 2021, its revenues jumped 30% year over year while it reported a profit of $89 million against a loss a year ago.

Even if the pandemic acted as a catalyst for Cargojet, changing consumer behaviour could continue to support the company's top line. Also, passenger airlines will likely gradually move away from cargo services and will focus on passenger revenues post-pandemic, ultimately transmitting more business to Cargojet.

Cargojet operates between 16 major airports in Canada and ensures overnight delivery for more than 90% of the Canadian population. Its unique network, scale, and efficiency should drive consistent growth in its earnings. Attractive valuation and stable expected earnings growth make it an attractive bet for long-term investors.

Toronto-Dominion Bank

Almost all Big Six Canadian banks reported solid earnings late last month. However, one bank that stands out among them is **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). The stock is up almost 25% so far this year, which is in line with the peer bank stocks. Toronto-Dominion Bank yields 3.6% at the moment, which is in line with TSX stocks at large.

Canadian banks have a surplus of cash, which was set aside last year as provisions for bad loans. Toronto-Dominion Bank has one of the largest of those reserves, which will likely be used for acquisitions or returned to shareholders in the form of higher dividends. Banks are waiting for the Canadian banking regulator to ban their share repurchases and issue higher dividends.

It is also one of the largest banks south of the border. It will likely drive significant growth post-pandemic.

Air Canada

Air Canada (TSX:AC) stock is my top re-opening play. Revenue recovery in the next few quarters driven by pent-up demand could be the biggest driver for its stock. Even if AC's profitability looks beyond sight, I think its narrowing cash burn and losses should unlock value for shareholders.

Air Canada stock is already up more than 25% so far this year. The stock could see its next major leap once Canadian authorities ease travel restrictions. The flag carrier is very well placed to benefit from the potential increase in air travel demand. It will likely see improvements in load factor in the next few months with rising vaccinations. U.S. airlines have already seen encouraging demand trends in flyers lately, which could mirror in Canada as well.

Notably, AC stock does not look too stretched from the valuation standpoint despite its recent rally. Improving fundamentals, air traffic recovery, and an attractive valuation make it an appealing bet for long-term investors.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing
5. Personal Finance
6. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:AC (Air Canada)
3. TSX:CJT (Cargojet Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing
5. Personal Finance
6. Stocks for Beginners

Date
2025/08/25
Date Created
2021/06/12
Author
vinitkularni20