3 of the Best TSX Stock to Buy on a Dip in June 2021

Description

Canadian stocks are continuing to inch up in June after ending the previous four months in the positive territory. The **S&P/TSX Composite Index** has risen by 2.1% as of June 11, as investors continue to show confidence in the reopening economy and rising economic activities. However, some fundamentally good stocks are still going through a correction this month.

Let's take a closer look at three such TSX stocks that are worth buying on a dip in June 2021.

National Bank of Canada stock

National Bank of Canada (TSX:NA) is one of the most underappreciated Canadian banking sector stocks, in my opinion. The bank has already largely recovered from COVID-19-related blows and is on its way to post a solid double-digit earnings growth this year.

In the April quarter, National Bank of Canada's adjusted earnings more than doubled from a year ago to $2.25 per share — beating analysts' consensus estimates by 13%. Its earnings are expected to rise by more than 41% in the ongoing fiscal year 2021. Many other Canadian banks faced big operational challenges last year. In contrast, National Bank of Canada's revenue has consistently been rising for the last nine quarters in a row. In recent quarters, the bank has seen a notable reduction in provisions for credit losses amid an improving macroeconomic outlook.

National Bank of Canada stock is currently trading with a nearly 4% drop in June against a 2% rise in the TSX Composite Index. Long-term investors could buy its stock before it starts rising again.

Kinross Gold stock

Kinross Gold (TSX:K)(NYSE:KGC) is a Toronto-based gold mining company. After surging by 12.5% in May, its stock is down more than 2% on a month-to-date basis.

In the first quarter, the company reported a 50% YoY (year-over-year) rise in its adjusted earnings to

US$0.15 per share. During the quarter, its adjusted net profit margin expanded to 19.5% from 14.5% a year ago. Kinross Gold is currently focusing on lowering its mining costs, which should help it improve its profitability further.

Overall, Kinross Gold's strong cash flows, along with a healthy financial growth track record, make its stock worth buying on a dip in June 2021. Its TSX-listed stock has risen by about 2% this year so far after ending 2020 with 52% gains.

Teck Resources stock

The shares of **Teck Resources** (TSX:TECK.B)(NYSE:TECK) fell by 4% last week. It's another amazing stock that you may want to add to your portfolio right now.

Teck Resources's revenue growth turned positive recently in the first quarter after facing a negative trend in the previous six quarters. In Q1 2021, its revenue rose by 7.2% YoY to $2.54 billion — meeting its sales guidance for the quarter. Analysts expect its sales growth trend to improve further, expecting a 28% increase in 2021. Teck Resources's adjusted net profit more than doubled to $326 million in the March quarter with a significantly expanded margin of 12.8%. In the first quarter of 2020, its bottom-line margin was near 4%.

Its improving operational performance and rising commodity prices could help Teck Resources report solid financial growth in 2021. I expect these positive factors to drive its stock higher in the coming months.

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1. Bank Stocks
2. Investing
3. Metals and Mining Stocks

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TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. NYSE:TECK (Teck Resources Limited)
3. TSX:K (Kinross Gold Corporation)
4. TSX:NA (National Bank of Canada)
5. TSX:TECK.B (Teck Resources Limited)

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