



3 of the Best Long-Term TSX Stocks That Could Make You Rich

Description

Despite the near-term volatility and inflation-related fears, the long-term prospects of the top TSX stocks remain intact. Meanwhile, improving economic indicators and recovery in corporate earnings further strengthen my long-term outlook. With that in the backdrop, I have selected three Canadian stocks that I believe are solid long-term bets and could deliver stellar returns in the coming years.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) stock has appreciated over 40% this year, reflecting a pick up in energy demand and stellar recovery in the crude oil prices. Despite the rally, Suncor stock is trading well below its pre-COVID levels, making it an [attractive long-term pick](#).

I expect Suncor to deliver strong operating and financial performance in the coming years, thanks to increased demand for oil and refined products, higher average prices, and a favourable revenue mix. Meanwhile, its integrated assets, higher production volumes, solid momentum in the upstream and downstream business, improved productivity, and cost-optimization strategy augur well for future growth.

I believe Suncor Energy has all the ingredients to deliver solid funds from operations and earnings in the future. Further, Suncor Energy could continue to enhance its shareholders' value through share repurchases and regular quarterly dividend payments.

Scotiabank

Like its banking peers, **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)) stock has also witnessed strong buying in the recent past. The stock has increased 48.2% in one year, and I expect the uptrend to sustain. Its solid financial performance, improving macroeconomic environment, and low valuation provide a solid foundation for future growth.

Notably, the bank has consistently grown its earnings at a healthy pace in the past. Meanwhile, the improvement in credit demand, expected increase in loans and deposit volumes, and growing non-interest income are likely to drive its revenues and cushion its earnings. Scotiabank has multiple

revenue streams with exposure to the high-growth banking markets, which could accelerate its growth rate. In addition, its strong expense management and solid credit performance are likely to boost its earnings significantly and drive its dividends.

The Canadian banking giant is popular for consistently paying dividends since 1833 and yields over 4.5%. It has also increased dividends by a CAGR (compound annual growth rate) of 6% for a decade. Scotiabank is trading at a price-to-earnings multiple of 10.2 and a price-to-book value multiple of 1.5, reflecting a significant discount to its peers.

Air Canada

Air Canada ([TSX:AC](#)) stock has [significant upside potential](#) and is likely to gain big on improvement in air travel demand. Its stock has recouped some of its losses and is up over 48% in one year. Despite the growth, Air Canada stock continues to trade below \$30 and is available at a massive discount compared to its pre-pandemic levels, making it a steal at current levels.

While the airline company's near-term outlook looks hazy, it has immense growth potential in the long run. I expect the stock to rise further once its operations return to normal amid easing lockdown measures and widespread vaccination. In addition, its operating capacity and revenues are likely to recover fast with the uptick in air travel demand and the reopening of the international borders.

Also, the continued momentum in its air cargo business and expected reduction in net cash burn are likely to fuel strong earnings growth and drive Air Canada stock.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AC (Air Canada)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:SU (Suncor Energy Inc.)

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. Energy Stocks
5. Investing

Date

2025/08/26

Date Created

2021/06/21

Author

snahata

default watermark

default watermark