Got $1,000? My 3 Favourite TSX Stocks to Buy Right Now

Description

Canadian markets are up nearly 17% so far this year. Interestingly, TSX stocks are comparatively undervalued against stocks south of the border. Here are some of the Canadian names that offer decent growth prospects.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is one of Canada's biggest and most stable stocks. It yields 3.6% at the moment. While the yield may not seem too attractive, Fortis has increased its dividends for the last 47 consecutive years, suggesting stability and reliability.

Fortis generates secure income from rate-regulated operations, which facilitates stable payouts for shareholders. As a result, the company gave away 67% of its earnings as dividends last year. Interestingly, such large payouts are common among utilities. That's why utilities are classic defensives and outperform in market downturns.

However, that does not mean FTS stock is totally immune to market crashes. Perhaps it manages to recover relatively quickly because investors switch to safe havens amid volatile markets.

Fortis has created immense wealth for shareholders in the very long term. It has returned 1,110% in the last two decades, notably outperforming the **TSX Composite Index**. FTS offers a low risk-moderate returns proposition for long-term investors with its stable dividends and slow stock price movements.

BRP

One of the top growth stocks **BRP** (TSX:DOO)(NASDAQ:DOOO) has been trading weak and has fallen 20% since May 2021. The Powersports vehicle manufacturer reported solid quarterly earnings early this month. However, that has failed to uplift its stock.

The Ski-Doo and Sea-Doo maker has seen encouraging demand growth in the last few quarters. Thus, the management has increased earnings guidance and now expects 58% earnings growth in fiscal 2022.

Once mobility restrictions wane, and consumer spending normalizes, travel and leisure sectors are expected to see pent-up demand. BRP could be one of the beneficiaries of that in the post-pandemic world.

BRP's strong presence globally and established product portfolio make it an attractive bet for investors. In addition, the stock offers appealing return prospects given its strong earnings potential particularly after a recent correction.

Nuvei

Almost all tech stocks dipped on rising inflation fears recently, but one of them notably stood tall. It is Canadian fintech company **Nuvei** (TSX:NVEI). The stock is up almost 50% this year, notably outperforming peers.

Nuvei reported revenues of US$266 million in the last six months, representing a growth of more than 60% compared to the same period last year. Nuvei's e-commerce segment has been the key driver behind its superior revenue growth.

Nuvei is an emerging payment processor to financial service providers, online retail, and cryptocurrency platforms. It earns revenues by charging transaction fees to merchants to provide a payment gateway and value-added services like analytics and insights to merchants.

NVEI currently sports a market capitalization of $14 billion with annual revenues of US$442 million. Thus, the stock looks way overvalued at the moment. But if you are an aggressive investor and have the stomach for large price swings, NVEI offers attractive risk/return prospects for you.

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3. TSX:DOO (BRP Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:NVEI (Nuvei Corporation)

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Date
2025/06/29
Date Created
2021/06/25
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