4 of the Best TSX Stocks to Buy This Week

Description

Canadian stocks rose sharply in the first half of 2021 as the reopening economy and vaccines rollout boosted investors' confidence. The **TSX Composite Index** inched up by 15.7% in the first half of the year.

While the market has seen a sharp rally this year, some stocks still look attractive as they haven't seen much appreciation despite their solid fundamentals. Here are four of the best TSX stocks that investors can add to their portfolios this week.

Royal Bank of Canada stock

Royal Bank of Canada (TSX:RY)(NYSE:RY) is arguably the most attractive banking sector stock to buy right now. During the COVID pandemic, the largest Canadian bank's core banking operations suffered. Nonetheless, a sharp rise in its capital market segment volume helped boost its overall results.

Moreover, its core banking operations also showed a sharp recovery in the quarter ended in April 2021, boosting RBC's overall earnings growth. Apart from the ongoing recovery in its banking operations, its good dividends make its stock worth buying right now. It has a dividend yield of 3.4% at the current market price of $126.03 per share.

TD Bank stock

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is another good TSX bank stock you may want to bet on due to its well-diversified financial services portfolio. Along with improving growth in its non-interest income segment, strong loan and deposit volumes are helping its overall business recover fast.

In the second quarter of its fiscal 2021, TD Bank reported good account growth across all its key businesses — showcasing a faster-than-expected recovery. However, its stock has risen by only 21% this year so far and still has good room to inch up further. You may want to add TD Bank stock to your portfolio right now before it starts rallying in the second half of this year.

Canadian Pacific Railway stock

The shares of **Canadian Pacific Railway** (TSX:CP)(NYSE:CP) have underperformed the broader market this year. Its stock is currently trading at $95.55 per share with about 8.2% year-to-date gains. In the first quarter, the company posted a 1.4% YoY rise in its earnings to $0.90 per share despite a 4% drop in its revenue.

While the company's revenue has been falling for the last four quarters in a row, analysts expect them to rise by about 15% YoY in the next couple of quarters. Canadian Pacific has been focusing on optimizing its assets and operation to improve overall efficiency, helping it boost its bottom line. These factors could help CP stock rally in the second half of 2021.

Enbridge stock

Enbridge (TSX:ENB)(NYSE:ENB) could prove to be one of the most rewarding stocks for investors seeking passive income. It currently has an attractive dividend yield of 6.7% at the market price of $50.15 per share.

After COVID-19 driven energy demand issues hurt its sales last year, its revenues are expected to rise by 9% in 2021. This recovery is likely to help its earnings to reach near the pre-pandemic levels. Despite improving energy sector fundamentals, Enbridge stock has seen only 23% gains in 2021 after falling by 21% last year. You can expect its stock to outperform the broader market in the near term as the demand for energy products continues to surge.

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