



2 Top TSX Stocks Set to Outperform in H2 2021

Description

Investors looking to build a solid portfolio for the second half of this year sure have their work cut out for them. Indeed, finding the right mix of growth, [income](#), and value in today's market is a difficult task.

That said, the TSX happens to have a number of stocks that fit this sort of long-term criteria for so many investors. Among the stocks I think provide excellent upside in this context are **Alimentation Couche-Tard** (TSX:ATD.B) and **Telus** ([TSX:T](#)) ([NYSE:TU](#)).

Let's dive into these two stocks a bit more to provide investors with context as to why these ought to be top stocks to watch today.

Alimentation Couche-Tard

One of the [best value stocks](#) on the TSX right now has to be Couche-Tard. Indeed, this gas station and convenience store operator has seen its business start to show signs of life of late amid a post-pandemic recovery.

While it may indeed be too soon to call the pandemic over, for optimists out there, Couche-Tard represents one of the most favourable reopening plays in the market today. The return of the commuter is a good thing for Couche-Tard's core business. And the company's growth-by-acquisition model provides an element of growth that's hard to get in this sector.

Analysts have predicted it's possible for Couche-Tard to double its profit over the next five years. For investors bullish on a bottom-line growth play, Couche-Tard fits well in such a portfolio. The company's focus on creating operational efficiencies and expanding margins has served investors well over the long term. I think these fundamentals still hold and view Couche-Tard as a top long-term stock investors should consider today.

The company's small but meaningful dividend yield of 0.7% is really a cherry on top right now. Indeed, Couche-Tard's management team has discussed getting rid of its dividend in favour of pursuing acquisitions. In either case, I think long-term investors win with this stock, given the quality of the

company's management team.

Telus

What Couche-Tard lacks, Telus makes up for in a big way. The telecom company offers a 4.5% dividend yield, which in itself is high. The company further plans to increase this growth by 7-10% annually.

Accordingly, for investors seeking a value-oriented portfolio with a decent growth and income mix, combining Couche-Tard and Telus is a great way to do so.

Telus's strong fundamentals and excellent recent performance provide all the reason long-term investors need to consider this stock. Indeed, the company's recent results have shown just how wide of a moat the telecom sector has in Canada. Telus's core telecom business is likely to remain the cash cow that long-term investors focus on with this company.

However, Telus is far more diversified than most of its Canadian telecom peers. Indeed, Telus is really a portfolio of many businesses. The company's health segment and call centre business (which was recently spun off as an IPO) provide investors with upside to growth sectors other telecom players haven't diversified into. This is a key reason to own this stock alone.

Additionally, I see the rising importance of 5G as a key reason telecom players could do well over the medium term. Investors looking to pick a winner in this space ought to focus their attention on Telus right now.

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TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:T (TELUS)

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