



New to Investing? 3 Top TSX Stocks to Buy Today With \$1,000

Description

Canadian markets have been soaring higher for the last several months. However, if you have been sitting on the sidelines and have missed the bus, it's still not too late. Here are the top three TSX stocks that offer decent gain prospects from their current levels.

Air Canada

Air Canada ([TSX:AC](#)) reported its second-quarter 2021 earnings on Friday. The stock did not react much, but the numbers indeed suggest an encouraging outlook and a strong potential recovery.

Its Q2 revenues expanded by a handsome 60% from last year, indicating a robust demand recovery. However, the next few quarters will be crucial to watch, considering Canada's approach to relax travel restrictions and increasing vaccinations.

Another [silver lining](#) in its Q2 release was its lower cash burn. Air Canada's net cash-burn rate fell to \$8 million per day in the second quarter from \$15 million in Q1 2021. The management expects it to fall further to \$4 million in the next quarter.

Leisure travel could drive significant demand growth in the next quarters. It could also make up for a loss of business travel to some extent. Air Canada's leading market position, strong balance sheet, and operational efficiency could drive it towards profitability in the next few quarters. As a result, AC stock could unlock remarkable value for its shareholders.

Fortis

Top utility stock **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) could be the best defensive stock for your portfolio. Its stable dividends and slow-moving stock make it apt for all types of investors. Utility stocks are particularly effective when broad markets turn volatile. Their low volatility makes it stand tall during rough times, and [dividends](#) help them outperform.

Fortis makes a large chunk of its earnings from regulated operations. Regulated operations earn a stable rate of return in almost any kind of economic scenario. So, its earnings also remain stable, which facilitates stable dividend payments. That's why Fortis managed to increase its dividends consistently for the last 47 consecutive years.

FTS stock yields 3.6% at the moment. If you invest \$1,000 in FTS stock, you will make \$36 per year in dividends. The dividend amount will increase, as the company increases its profit over the years.

Magna International

Magna International ([TSX:MG](#))([NYSE:MGA](#)) stock has been weak lately, losing more than 20% since June. However, this correction could be an opportunity for long-term investors, given its strong growth prospects.

Magma is a \$31 billion mobility technology company that designs and manufactures components of original equipment manufacturers of vehicles. It has been aggressively foraying into a product range that caters to the high-growth electric vehicles space.

Magna [announced](#) last week that it is acquiring auto safety electronic products manufacturer **Veoneer** for \$3.8 billion. Magna believes that the acquisition will give it an edge in advanced driver-assistance systems. Also, it expects \$100 million in synergies by 2024.

Magna expects its sales to grow approximately to \$45 billion by 2023. That's a muted growth from its 2020 sales. However, it could see terrific value unlocking in the long term when electric vehicles and autonomous vehicles become mainstream.

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