



Got \$1,000? 3 Best TSX Stocks to Buy Right Now

Description

It's not easy to find worthy investment ideas in such a frothy market. Investors should be wary of valuation in such markets and not just follow the exuberance. Here are three top **TSX** stocks that look attractive from the valuation standpoint and offer decent growth prospects as well.

Barrick Gold

The year 2021 is turning out to be a different year for gold miners and investors than 2020. While last year saw gold miner stocks reaching all-time highs, the year 2021 has largely been a reversal of those gains.

Importantly, their quarterly numbers were subdued and thus weighed on their stock prices. Top Canadian miner **Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)) reported its Q2 2021 earnings on August 9. Its net income [fell](#) 24% sequentially due to increased costs and lower production.

However, the second half of 2021 could change the course for miners like Barrick Gold. Barrick expects higher production for the second half, approximately in the range of 4.4 to 4.7 million ounces. The stock has already suffered enough and its discounted valuation could attract discerned investors. Moreover, higher gold prices could drive gold miner stocks higher like last year.

Barrick is the second-biggest gold producer across the globe with high-quality assets. Notably, higher realized gold prices combined with higher production in the post-pandemic world could [unlock remarkable value](#) for shareholders.

TC Energy

As markets continue to linger around all-time highs, it would be prudent to increase your portfolio exposure to defensive stocks. **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) could be one of the top Canadian defensive stocks in the current situation. It yields a handsome 6% at the moment.

Midstream energy companies generally earn stable earnings driven by their low-risk, fixed-fee operations. Along with energy infrastructure, TC Energy is also involved in utility operations. Thus, the combination bodes well for [diversification](#) and earnings stability.

I'm aware that some of you might have a distaste for energy stocks. However, energy midstream stocks differ from their upstream peers on several fronts. They have a low correlation with energy commodity prices and much steeper dividend yields. TC Energy stock has delivered an average total return of 10% in the last decade, almost double that of the **TSX Composite Index**.

Air Canada

Things are finally moving in a positive direction for **Air Canada** ([TSX:AC](#)). Its recent Q2 2021 earnings highlight a strong recovery in the making. Also, releasing air travel restrictions could bring back top-line growth for Air Canada.

Air Canada's operating capacity and net cash burn rate could significantly improve in the second half of 2021. Investors should note that even if the flag carrier has warned that it might take three years to reach 2019 profitability levels, it doesn't mean that it would take three years for the stock to reach its record levels of last year.

I think pent-up demand post-pandemic will be the biggest driver for its revenue recovery and ultimately for the stock. Airlines south of the border have already started seeing green bottom lines and an encouraging outlook for the long term. Given its leading market share, stronger balance sheet, and increasing vaccinations, Air Canada could likely follow.

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TICKERS GLOBAL

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2. NYSE:TRP (Tc Energy)
3. TSX:ABX (Barrick Mining)
4. TSX:AC (Air Canada)
5. TSX:TRP (TC Energy Corporation)

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Author

vinitkularni20

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