



3 Top TSX Stocks to Buy Today for 1st-Time Investors

Description

Canadian markets have been making new highs for quite some time now. They are up almost 16% so far in 2021 and 55% since the crash last year. So, if you are running out of worthy investment ideas, here are some top **TSX** stocks for the long term.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) operates as a combination of regulated and renewables utilities. It yields a decent 4.4%, higher than Canadian stocks on average. While its stable dividend profile is certainly attractive, what's even more appealing is its earnings stability.

Utilities usually grow very slowly and lag broad market indices. However, Algonquin's healthy blend of regulated and renewables operations realized superior earnings growth that beat utility peers by a large margin. Including dividends, AQN stock returned 540% in the last decade.

Algonquin Power [aims](#) to increase dividends by 5%-7% per year for the next few years. Driven by its above-average earnings growth prospects and a decent yield, investors can get lower-double digit returns in the long term. Even if that seems a tad dull, utility stocks are low risk and are generally preferred by long-term conservative investors.

Royal Bank of Canada

Canadian bank stocks have been moving gradually but firmly for the last few months. They are some of the discounted areas in the broader market that will likely trade strong as we move out of the pandemic. The biggest of them all, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) stock is up 35% in the last 12 months.

Interestingly, RBC will report its fiscal Q3 2021 earnings on August 25. RBC will likely report superior earnings growth driven by broader economic recovery and rallying capital markets, as the last couple of quarters. RBC stock should continue its upward climb, at least in the short to medium term.

In addition, Canadian banks are sitting on a mountain of cash as their provisions for credit losses are reversed in the last few quarters. Royal Bank is one of them. This excess cash can be used for acquisitions or can be returned to shareholders in the form of higher [dividends](#). Any light on the dividend increase from the Royal Bank management during its upcoming earnings call might boost its stock.

Beyond the short term, Royal Bank is one of the [great investments on the TSX](#). Its scale, diversified geographical presence, and encouraging economic growth make it an appealing stock for long-term investors.

Air Canada

Air Canada ([TSX:AC](#)) stock has been trading weak, losing more than 15% since June. The weakness is evident to some extent as the Delta variant is making things worse again, jeopardizing global recovery.

However, this could just be a short-term blip for Air Canada. Air travel demand is expected to recover at a fast pace in the second half of 2021. This could accelerate Air Canada's revenue growth and push it toward profitability earlier than expected.

Moreover, its Q2 2021 earnings brought forward an optimistic picture of its recovery. Its strong balance sheet and a dominating market share will be the main pillars of its superior growth in the post-pandemic world.

AC stock has taken a support of \$23-\$24 levels a couple of times this year, only to rebound to \$30 levels. So, it could have a limited downside in the short to medium term but offers handsome upside potential for long-term investors.

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2. NYSE:RY (Royal Bank of Canada)
3. TSX:AC (Air Canada)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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Date

2025/09/29

Date Created

2021/08/16

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