Got $500? 3 Best TSX Stocks to Buy Today

Description

Canadian markets have rallied 16% so far this year and more than 55% since the crash in 2020. So, are you among those who kept procrastinating waiting for a crash and missed one of the best rallies? Don't feel bad! It's still not too late. Here are three top **TSX** stocks that are relatively less volatile and offer handsome growth prospects.

Franco-Nevada Corporation

The yellow metal has continued to take a beating this year, and so have the miners. So, certainly, gold is not the place you want to be in at the moment. But streamers beg to differ. Since last year, they have stood notably strong while gold miners have corrected around 30%-50% from their annual highs.

Among gold stocks, top streamer **Franco-Nevada** (TSX:FNV)(NYSE:FNV) has absolutely thrashed peers. The stock is up 20% so far this year. Unlike conventional miners, streaming companies offer a relatively better risk/reward proposition for investors. They don't operate mines directly, but they outsource operations for an upfront fee to avail a portion of the output. Thus, streamers are low-risk, high-margin businesses against traditional miners.

While many gold miners reported declining financial growth in the first half of 2021, Franco-Nevada's revenues grew by a handsome 55% year over year. Also, the company has a strong balance sheet with no debt and pays small dividends as well. So, I think gold investors can consider this streamer for its relatively better earnings prospects and low-risk operations.

Fortis

Growth stocks are more volatile than dividend-paying stocks. So, if you don't want to compromise on your sound sleep at night, slow but stable stocks like **Fortis** (TSX:FTS)(NYSE:FTS) are good options for you. While these might underperform high-flying tech names, their consistent dividends and stock appreciation create a decent reserve in the long term.

Utilities like Fortis earn stable cash flows from their rate-regulated, low-risk operations. Even during recessions, they keep growing stably, facilitating secure dividends. Fortis currently yields 3.5%, in line with TSX stocks on average. Notably, Fortis has increased its dividend for the last 47 consecutive years.

Such a long dividend growth streak suggests reliability and stability. Notably, Fortis investors can expect a consistent payout increase for the next several years, mainly driven by its earnings stability.

FTS has returned 13.6% on average per year since 2001, including dividends, almost triple the **TSX Composite Index**.

Canadian Natural Resources

The energy sector has been the rockstar this year, absolutely thrashing TSX stocks at large. The biggest in the sector, **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) has rallied more than 90% since last November. Strong earnings recovery and rising energy commodity prices boosted energy stocks this year.

Canadian Natural is a low-cost energy producer with a diversified product base. Interestingly, even after a recent correction in crude oil prices, CNQ is well placed for a significant cash flow growth against last year.

So, if oil prices indeed reach US$100 per barrel as some expect, companies like CNQ will see a spectacular rise in earnings, which could also send the stocks further higher.

In addition, Canadian Natural has a strong dividend profile that yields 4.6% at the moment. Last year, it continued to raise shareholder payouts when almost all major oil companies trimmed or suspended dividends. That’s because it has a strong balance sheet and a relatively stable earnings base.

As a result, CNQ is a solid long-term investment due to its discounted valuation, juicy dividend profile, and optimistic energy sector outlook.

CATEGORY

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:FNV (Franco-Nevada)
3. NYSE:FTS (Fortis Inc.)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:FNV (Franco-Nevada)
6. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. vinitkularni20

Category

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks

Date
2025/08/24
Date Created
2021/08/17
Author
vinitkularni20