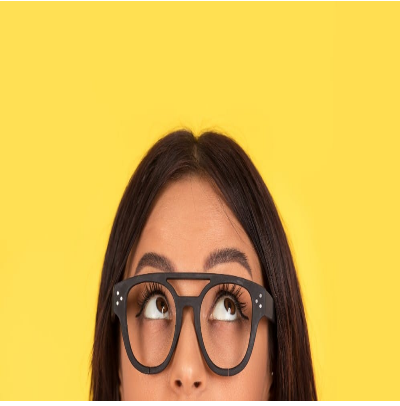

3 Terrific TSX Stocks to Buy Right Now

Description

Although Canadian markets have been trading close to record highs for months, some **TSX** stocks are still trading way below their fair values. Here are some of those Canadian stocks for long-term investors.

Air Canada

Air Canada (TSX:AC) stock has come a long way after hitting multi-year lows of close to $10 in March last year. But after gulping billions of dollars in losses, the flag carrier started seeing the light at the end of the tunnel, which sent the stock close to $31.

The Delta variant brought short-term hiccups, which shoved AC stock back to $23 levels recently. But if you are a long-term investor, you should look forward and be able to think about what could happen, probably after a year or later.

Do you think the virus will continue to wreak havoc like last year, even in 2022? With aggressive vaccinations and herd immunity on the way, that seems highly unlikely.

Air Canada even saw decent air travel demand growth in Q2 2021 as restrictions relaxed to some extent. In addition, an increased number of flyers should drive Air Canada's revenue recovery and push it closer to profitability once again in the second half of 2021. Thus, I think AC stock will create enormous value for its shareholders in the long-term, driven by pent-up demand post-pandemic.

goeasy

Canadian consumer lender stock **goeasy** (TSX:GSY) and its shareholders are having yet another blockbuster year in 2021. The stock is up almost 90% this year and more than 600% in the last five years.

goeasy has been quite consistent with its operational and financial growth for the last several years. It lends to non-prime borrowers in Canada that big Canadian banks do not generally serve.

A $3 billion goeasy has commendably capitalized on this growth opportunity and has managed to increase EPS by 23% compound annual growth rate (CAGR) since 2001. It could see accelerated earnings growth as employment improves once economies re-open. In addition, it plans to grow by expanding its product portfolio by including auto loans, credit cards, and loan protection plans going forward.

Despite such a solid rally, GSY stock does not look stretched from the valuation standpoint. This gives more runway for the stock to soar higher and makes it one of the best re-opening plays.

Canadian Utilities

After two growth picks, my third pick is a stable, dividend-paying stock **Canadian Utilities** (TSX:CU). Its steady dividends will create a stable passive income while simultaneously giving stability to your portfolio.

CU stock might lag stocks at large in the bullish markets, but one can rely on its stable dividends for years. Perhaps, it has increased dividends for the last 49 consecutive years. Along with a long dividend growth streak, Canadian Utilities' stock yields a handsome 5% at the moment.

And most importantly, it can continue to increase dividends for years to come because of its earnings stability. Utilities normally generate stable revenues and net income because of their highly regulated, low-risk operations.

As a result, even in recessions or during periods of high economic growth, utility companies like CU earn a stable income. That ultimately facilitates stable dividend income and makes them comparatively safer bets.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

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1. TSX:AC (Air Canada)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:GSY (goeasy Ltd.)

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