



3 Top Canadian Stocks to Buy in 2021

Description

We're not even nine months into the year and the Canadian market is up more than 15%. I don't know if I'd bank on that growth to continue through the rest of the year, though. There's still plenty of uncertainty surrounding the COVID-19 pandemic.

What I do know is that I'm not going to let the market's recent performance affect my investment strategy. As a Foolish investor, my focus remains on adding high-quality market-leading companies to my portfolio. And most importantly, holding for the long-term.

I've put together a basket of three top Canadian stocks that should be at the top of any long-term investor's watch list today. Whether you're looking for [value](#), growth, or income, this basket has you covered.

Algonquin Power & Utilities

As a utility stock, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) has done exactly what shareholders have expected it to do over the past year and a half. The pandemic has created all kinds of volatility for investors since early 2020. Fortunately, Algonquin Power & Utilities shareholders have enjoyed a much smoother ride than most **TSX** stocks.

Utility companies are far from the most exciting stocks on the TSX, but they are dependable. They provide their customers with an essential product, which explains why the stock does not experience much volatility during market downturns. Regardless of the economic condition, utility bills are at the top of the list to pay for both consumers and businesses.

What has Algonquin Power & Utilities high up on my watch list today is the company's renewable energy offering. I'm a huge bull on the growth of renewable energy over the next decade. I also think it's been a key reason why Algonquin Power & Utilities has managed to deliver consistent [market-beating growth](#) in recent years.

The stock is up close to 70% over the past five years, compared to the market's return of 40%. And that's not even including the dividend stock's impressive 4% yield, either.

Scotiabank

Next on my list is another steady [dividend-paying company](#) with a respectable market-beating track record.

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) owns one of the longest dividend-paying streaks around. Shareholders have been earning a dividend from Scotiabank for close to two centuries. So if you're looking to build a reliable passive income stream, this \$100 billion bank should be on your radar.

What separates Scotiabank from its peers for me is its geographic presence. It's not uncommon for one of the Big Five to have operations outside Canada. What has Scotiabank on my watch list is its strong presence in Latin America.

Canadian shareholders of Scotiabank stock not only benefit from the massive growth opportunity in Latin America but also benefit from diversification by being invested outside of the Canadian economy.

Dye & Durham

Last on my list is the growth stock of the bunch. While its shares are far from cheap, there's plenty of multi-bagger growth potential in the coming years for this Canadian stock.

Dye & Durham ([TSX:DND](#)) has only been on the TSX for barely over a year but shares are already up more than 200%. It's still only valued at a market cap of \$3 billion, though, so there's plenty more upside for this growing tech stock.

At a price-to-sales ratio above 20, the growth stock commands a steep price. But if you have the time to sit patiently through the expected volatility, I strongly believe this tech stock is well worth the risk.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:DND (Dye & Durham Limited)

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