



The 3 Best Canadian Stocks to Buy Right Now

Description

Many Canadian investors are making hay while the sun shines in 2021. However, the environment remains unstable, despite the TSX's continued resiliency. [Dividend investors](#) in particular should leave no room for complacency. A market correction is always a possibility.

Revisit your portfolio to make sure you own the best Canadian stocks. If you intend to rebalance your holdings, include the [ideal safeguards](#) in a downturn. The top choices to buy today are **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) and **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)). You can also include **TransAlta Renewables** ([TSX:RNW](#)) for good measure.

Growth in all business units

Purpose-driven growth is what Canada's fifth-largest bank hopes to deliver. CIBC reported a 321% increase in net income in Q2 fiscal 2021 versus Q2 fiscal 2020. In Q3 fiscal 2021 (quarter ended July 31, 2021), the \$65.92 billion bank achieved another milestone.

The \$5.05 billion in revenue was a record in top-line revenue. Meanwhile, CIBC's net income rose 48% to \$1.7 billion versus Q3 fiscal 2020. Its president and CEO Victor Dodig said the latest quarterly results underscore the breadth and quality of CIBC's growth across all its key business units.

On the TSX, the year-to-date gain is nearly 38%. At \$146.47 per share, the dividend yield is 3.99%. Given CIBC's more than 100-year dividend track record, the payouts should be safe for years.

Proven stability

Don't underestimate Sun Life Financial, as it has shown tremendous stability during the pandemic. You can purchase the insurance stock at \$65.69 per share (+19.07% year to date) to partake of the 3.35% dividend. Moreover, the [Dividend Aristocrat](#) has kept its payout ratio below 40%.

In Q2 2021 and the first half of the year, Sun Life's net income grew 73% and 102% versus the same

periods in 2020. The \$38.62 billion company dominates the insurance and wealth industry in Canada. This business segment reported a 245% increase in net income.

Besides the strong momentum in the company's core business segments, its digital transformation is accelerating. On August 27, 2021, Sun Life and **Amazon** Web Services became full-pledged partners. The insurer has chosen the Amazon.com subsidiary to be its long-term strategic cloud technology provider to drive operational efficiency and innovation.

Monthly payouts

TransAlta Renewables not only pays a juicy dividend (4.73%), but the payouts are monthly, not quarterly. The \$5.3 billion company owns about 44 power-generation assets to date. Wind is the core renewable energy source, followed by hydro and natural gas.

Performance-wise, the utility stock is down 5.86% year to date. The \$19.87 share price should be a good entry point. Growth is on the horizon, given TransAlta's diversification strategy to enhance its entire fleet's contracted cash flow profile. Also, the average contract life of the facilities is 11 years.

Todd Stack, TransAlta's president, said, "Our growth and construction pipelines continue to advance." The company announced the launching of the Northern Goldfields Solar Project. Its construction will commence in Q4 2021.

Reliable income stocks

Please don't fall into a false sense of security because the TSX keeps posting multiple new highs in recent months. While the landscape is conducive to investing, stick to reliable income stocks if you're a dividend investor. CIBC, Sun Life, and TransAlta Renewables should give you peace of mind for the long haul.

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1. Bank Stocks
2. Dividend Stocks
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POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:RNW (TransAlta Renewables)
4. TSX:SLF (Sun Life Financial Inc.)

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