



3 Top TSX Stock Picks for September 2021

Description

Despite the uncertainty related to the contagious Delta variant of the coronavirus, I believe Canadian stocks could trend higher on the back of improved economic activities and continued shift towards digital platforms.

With the growth in the backdrop, I am bullish on three TSX stocks: **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)), and **AltaGas** ([TSX:ALA](#)). These TSX stocks have delivered impressive returns in the past. Moreover, favourable industry trends and their growth initiatives indicate further upside.

Shopify

Undeniably, Shopify is a [top stock](#) for any investor seeking high growth in the long run. The e-commerce giant has consistently created wealth for its investors since it got listed on the TSX in May 2015. Further, the accelerated shift toward digital platforms and its growth initiatives indicate that Shopify could continue to trend higher and handily outperform the benchmark index.

While the easing of pandemic-led restrictions could lead to normalization in demand, I expect Shopify to benefit from market share gains, increased spending on e-commerce platforms, adoption of its products and services, and growth in the merchant base.

Its strong fulfillment network, global expansion, high-growth sales and marketing channels, and new product launches will likely accelerate its growth rate. Further, increased adoption of its high-value services and operating leverage could drive profitability and support the uptrend in its stock.

Scotiabank

Investors can consider Scotiabank stock for [growth and income](#). Notably, the banking giant's shares have been trending higher on the back of its strong financial performance, reflecting an improved operating environment, higher deposit volumes, and decline in provisions. Moreover, I expect the momentum in Scotiabank's business to sustain in the coming years owing to its diverse business, exposure to the high-growth banking markets, and increased economic activities.

Furthermore, Scotiabank stock could gain big as credit demand improves and interest rates rise. Meanwhile, improving efficiency ratio, increased deposits, lower credit provisions, and acceleration in digital banking could continue to drive its earnings.

Thanks to the bank's diversified revenue streams and high-quality earnings base, it has uninterruptedly rewarded its shareholders with dividend payments since 1833. Moreover, it has been growing its dividends at a CAGR of 6% since 2009 and offers a healthy yield of 4.6%. Besides, its stock trades at a lower valuation than the peer group average, making it attractive at current price levels.

AltaGas

AltaGas is another reliable bet for investors looking to generate consistent income and growth. It's worth noting that AltaGas's low-risk utility business and high-growth midstream operations generate solid earnings and predictable cash flows that support the uptrend in its stock and drive its dividend payments.

AltaGas offers a monthly dividend of \$0.083 per share, translating into a decent dividend yield of about 4.0%. I expect its regulated business, solid customer base, cost savings, and increase in rate base to bolster its cash flows and drive its dividend payments.

Meanwhile, improving energy demand, higher export volumes in the midstream business, integration of Petrogas, and higher utilization rate could drive its financial performance and help it to boost investors' returns over time.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:SHOP (Shopify Inc.)

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