



## 4 Strong Stocks to Buy on the TSX Today for an Economic Recovery

### Description

The **TSX** today is flying high. While there was a brief pullback this week, it came after seven months of gains. This is now the longest run on the TSX of monthly increases in *four years*. So if that's not a sign of economic recovery, I don't know what is.

Yet Motley Fool investors often still look to the growth stocks of 2020. I hate to break it to you, but unless we have another major market crash, you're not going to see stocks double in just a few months. Instead, it's time to change tactics and find something long-lasting.

So here I'm going to cover a few stocks that are perfect to buy up for the economic recovery. Motley Fool investors may not see your shares double overnight, but you'll be happy you bought them down the line.

### Alimentation Couche-Tard

The retail sector is growing, and so is travel. That means **Alimentation Couche-Tard** (TSX:ATD.A) (TSX:ATD.B) is a strong recovery play on the TSX today. The company reported earnings this week and topped analyst estimates for the last [quarter](#). Revenue came in at US\$13.58 billion, a 4% increase year over year. Meanwhile, earnings per share came in at \$0.71, beating expectations of \$0.65.

It's slow, but it's steady. Alimentation continues to buy up retail convenience stores, eyeing a return to commuter and travel traffic. Shares are up 18% year to date, most of which has happened in the last three months. Yet the stock is still a strong buy with a P/E ratio of 16.8. And while the dividend yield isn't great at this point, a recovery could mean a return to larger yields in the future.

### Canadian National

**Canadian National Railway** (TSX:CNR)(NYSE:CNI) had some bad news this week, yet a lot of Motley Fool investors saw it as good news. The Surface Transportation Board ruled that it couldn't support the decision for CNR to purchase **Kansas City Southern**. Yet investors pushed shares almost 8% in early

trading after the ruling on the TSX today.

Why? It seems likely that CNR would be overextending itself by trying to make a purchase that, frankly, it can't afford at this point. Now the company is sure to find others avenues of revenue and grow at a steady pace. That's preferable to investors who have been buying the stock for years. Shares are now up 7% year to date, and you can pick up a dividend yield of 1.66% as of writing.

## CP Rail

Meanwhile, **CP Rail** ([TSX:CP](#))([NYSE:CP](#)), the other half of the duopoly, looks like it may take on the new rail line after support from STB. The same movement happened earlier in the year when it looked like CNR would take over the rail line, with CP rail moving higher on the news that it might lose the deal. Again, it's a huge cost, but for CP it might be worth the cost.

CP will now be the only rail line in North America to stretch from Canada down to Mexico. While it's going to be costly in the years to come, CNR realized it would be worth it for long-term investors. So if you're willing to wait, it's a great time to pick up this stock and hold long-term on the TSX today. Shares are down 1.5% year to date and dropped 5% in early morning trading at the news. So it's a great time to buy in a pullback.

## Telus

Finally, **Telus** ([TSX:T](#))([NYSE:TU](#)) [continues](#) to look to stay on top when it comes to 5G. The company announced this week that it would be partnering with **General Motors** Canada to allow its vehicles to have 5G connectivity. This would provide the cars with faster and even more reliable in-car services, and moves the company one step closer to autonomous driving.

While the vehicles won't be on the road likely until 2025, it's still a great time to invest. There's bound to be lots of investment into the project, and any cars made in 2019 or later are now getting 4G LTE capabilities. Shares are up 18% year to date but remained relatively stable after the news. Investors can also grab on to a 4.33% dividend yield.

### CATEGORY

1. Coronavirus
2. Investing

### TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:CP (Canadian Pacific Railway)
3. NYSE:TU (TELUS)
4. TSX:ATD (Alimentation Couche-Tard Inc.)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:CP (Canadian Pacific Railway)
7. TSX:T (TELUS)

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#### **Date**

2025/07/01

#### **Date Created**

2021/09/03

#### **Author**

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