



3 Top TSX Stocks to Buy in September

Description

The Canadian stock market has rebounded incredibly well from the COVID-19 market crash last year. The **S&P/TSX Composite Index** is up 25% year to date and more than 50% since April 2020.

The current bull run isn't stopping me from loading up on top **TSX** stocks, though. My watch list is full of high-quality businesses that I'm ready to start a position in.

At some point, this bull run will come to an end. Valuations are becoming stretched for many companies, so some investors may already be waiting for a pullback to invest.

As a long-term investor, I'm not overly concerned with valuations today. Rather, I'm focused on finding high-quality businesses with loads of investment growth potential.

Here are three [top TSX stocks](#) that any long-term investor would be wise to have on their radar this month.

Royal Bank of Canada

The [Canadian banks](#) are at the top of my watch list right now. I'm not an owner of any of the Big Five, but that may change soon. There's a lot to like about Canadian banks stocks, including valuation, even amidst this bull run.

At a market cap of \$185 billion, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is the largest bank in Canada. It's also one of the largest publicly-traded companies on the TSX.

Whether you're in search of [passive income](#), market-beating growth, or stability, consider investing in RBC. It may not be the highest-yielding or fastest-growing stock, but it's a dependable company that you can feel good about building a long-term portfolio around.

Shares are up close to 25% in 2021 and more than 50% over the past five years. And that's not even factoring in the bank stock's very respectable 3% dividend.

One of the reasons that I have a couple of the Big Five on my watch list this month is valuation. Shares of RBC are trading at a discount compared to many other market-beating stocks on the TSX. RBC stock is valued at a forward price-to-earnings (P/E) ratio of barely over 10 right now.

Telus

Similar to RBC, **Telus** ([TSX:T](#))([NYSE:TU](#)) offers investors a hard-to-find combination of growth and passive income.

Telus has trailed RBC in recent years in terms of growth, but I think we could see the telecommunication stock rebound with a stronger performance than the bank in the coming decade. I'm betting that the expansion of 5G technology will help Telus return to delivering market-beating growth in no time.

The growth potential of Telus is partly why it's trading at more of a premium than RBC. Shares aren't overly expensive, but if I'm buying a stock trading at a forward P/E ratio above 20, I'm expecting growth. And that's exactly why Telus is on my watch list this month.

Docebo

Speaking of valuation, **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) is one of the most expensive TSX stocks around. It's trading at a lofty price-to-sales ratio of 40.

The stock is also up more than 600% since it joined the TSX in 2019, so its high price has been worth every penny so far.

The massive explosion of remote work is why I'm considering investing in this high-priced tech stock. Demand for Docebo's AI-powered eLearning platform has unsurprisingly exploded throughout the pandemic. That growth may slow down as shared offices gradually reopen, but I'm still extremely bullish on the rise of remote work in the coming decade.

As more and more employees return to shared office spaces, it shouldn't come as a surprise to see Docebo stock cool off. If that's the case, I'll be treating it as a buying opportunity.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:RY (Royal Bank of Canada)

3. NYSE:TU (TELUS)
4. TSX:DCBO (Docebo Inc.)
5. TSX:RY (Royal Bank of Canada)
6. TSX:T (TELUS)

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