



Top 3 TSX Stocks to Buy Now

Description

The best **TSX** stocks to buy now are the ones that are either severely undervalued or immune to inflation. Investors and consumers across the world are preparing for a wave of inflation for the months ahead. Meanwhile, most growth stocks are simply too expensive to buy right now.

With that in mind, here are the top three TSX stocks that should be on your list for the rest of 2021 and beyond.

TSX stock #1

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is a top pick on this list because of its valuation and business model. The company is one of Canada's fastest-growing payment processors, which means it *transmits* inflation. When merchants on the Lightspeed network raise their prices, the company's gross revenues climb.

Recent performance clearly illustrates this. Lightspeed's revenue was up a whopping [220% year-over-year](#) in the most recent quarter. LSPD stock, meanwhile, is up 75% year to date. Recent acquisitions such as Vend, ShopKeep, and Upserve should bolster this growth further. That's what makes this an ideal TSX stock to buy right now.

TSX stock #2

Just like Lightspeed, **Nuvei** ([TSX:NVEI](#)) is a payment processor that benefits from inflation. However, investors and financial news outlets don't talk about Nuvei nearly as much, which is why the stock's valuation is lower.

Nuvei stock trades at an enterprise value-to-revenue ratio of 40. Compare that to Lightspeed's ratio of 68 and you can see why Nuvei has more room to run.

[Nuvei stock is up 113%](#) over the past year, compared to the stock market average of 20% over the same period. Acquisitions and organic growth should drive the stock further. Management expects this year's revenue to be 86% greater than last year's. Meanwhile, integrations with Alipay+ and

acquisitions like Mazooma should keep the growth engine thumping.

Better growth prospects and lower valuations make this a top TSX stock to buy now and hold for years.

TSX stock #3

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) is the final pick on this list. This is the best stock to buy now if you're looking to reduce your exposure to Canada's economy.

Manulife's core recurring income streams are derived from life insurance policies. That's a fundamentally safe business model. To bolster that further, Manulife is well-diversified across the world. Indeed, 72% of its insurance premiums are generated in Asia. That means interest rates and economic swings in North America have less of an impact.

That's not the only reason this is a top stock to buy right now. Manulife's valuation is severely depressed at the moment. The stock trades at a price-to-earnings ratio of just 6.8! It also offers a 4.5% dividend yield. Bear in mind that the company's payout ratio is 34% so that dividend is actually *deceptively low*.

Keeping the payout ratio low has allowed Manulife to become a Dividend Aristocrat over the past decade. Investors can expect similar dividend growth in the near future.

This undervalued financial giant is a top pick for conservative, income-seeking investors right now.

CATEGORY

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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:NVEI (Nuvei Corporation)

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