Got $3,000? 3 TSX Stocks to Buy on the Dip Right Now

Description

Timing the market is not possible, but buying high-quality stocks on the dip can be a profitable strategy. While **TSX s**tocks have appreciated significantly over the past year, profit-booking, high valuation, and concerns related to the Delta variant of COVID-19 led to a healthy correction in several top-quality stocks. I see this as an opportunity to buy and hold fundamentally strong stocks.

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So, if you have $3,000 to invest, I have shortlisted three such stocks that are looking attractive post the recent dip in their price.

Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) stock witnessed a steep recovery post the pandemic-led selloff. However, it has corrected by over 15% in three months due to the weakness in crude prices. I believe the pullback in Suncor stock presents a solid buying opportunity for investors as oil prices will likely trend higher on the back of increased economic activities and a rise in energy demand.

With its integrated assets and low-cost base, Suncor remains well-positioned to capitalize on the improving operating environment. Further, its continued investments in the base business, favourable product mix, and lower breakeven costs augur well for growth.

Meanwhile, Suncor's focus on debt reduction is encouraging. Also, it continues to enhance shareholders' returns through share buybacks and regular dividend payments.

Air Canada

Shares of airline company **Air Canada** (TSX:AC) recovered from the pandemic lows amid hopes of normalization in demand amid the ongoing vaccination. Further, its financial and operating performance improved sequentially in the first half of 2021. However, Air Canada stock fell about 14% in three months due to concerns related to the rising cases of the Delta variant of the coronavirus.

While the resurgent virus could continue to pressure the air travel bookings and, in turn, hurt the company's financials in the near term, I remain upbeat on Air Canada's long-term growth prospects. Air Canada's focus on revenue diversification, cost-saving measures, and solid liquidity will likely help it navigate the near-term challenges with ease.

The acceleration in vaccination and reopening of international borders will likely boost Air Canada's financials significantly. Indeed, the company's financials could show sharp improvement with an increase in capacity and a reduction in cash burn.

Meanwhile, its stock is trading at a significant discount from the pre-pandemic. I see Air Canada stock as a solid bet for investors with a medium- to long-term investment outlook.

Dye & Durham

Dye & Durham (TSX:DND) is another reliable stock with solid growth potential. Notably, the stock has risen about 200% since listing on the exchange in July 2020 and has consistently delivered stellar revenues and higher adjusted EBITDA growth.

However, its stock has decreased by 12% in the past three months, proving a solid buying opportunity for investors. The sustained demand for its offerings and the ability to acquire and integrate companies augur well for future growth.

Its diversified blue-chip customer base and expansion in high-growth markets will likely drive its financials, in turn, its stock. Further, Dye & Durham's robust acquisition pipeline, lower churn rate, increased revenue from existing customers, and strong balance sheet will continue to support its future growth.

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3. TSX:DND (Dye & Durham Limited)
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