3 TSX Stocks to Invest $3,000 in Right Now

Description

Despite the rising coronavirus infections, I expect the Canadian stock market to hold firm and trend higher on the back of solid liquidity, lower interest rates, increased economic activities, recovery in consumer demand, and corporate earnings growth.

With an improving operating environment, I am bullish on three TSX stocks, including **Scotiabank** (TSX:BNS)(NYSE:BNS), **Cargojet** (TSX:CJT), and **Docebo** (TSX:DCBO)(NASDAQ:DCBO). These Canadian corporations continue to perform well, and a favourable industry outlook indicates that shares of these companies could continue to grow in the coming years.

So, if you have $3,000 to invest, consider buying these shares now.

Scotiabank

Scotiabank is one of my top picks for both growth and stable dividend income. Notably, the Canadian banking giant has consistently delivered strong profitability, benefitting from its diverse revenue streams, strong credit quality, higher deposit base, and operating leverage.

While its stock has gained a lot from the pandemic lows, I expect the momentum to sustain. Increased economic activities will likely fuel credit demand, and Scotiabank, with its exposure to the high-growth banking markets, remains well positioned to capitalize on the improving trends. Furthermore, improved efficiency ratio, lower credit provisions, and acceleration in digital banking augur well for future growth.

Thanks to its ability to grow earnings, Scotiabank has consistently rewarded its shareholders with higher dividend payments. It has paid dividends since 1833 and raised it at a CAGR of 6% since 2009. It currently offers a lucrative dividend yield of 4.6%, while its low payout ratio is sustainable in the long run. Also, Scotiabank trades at a lower valuation than peers, making it attractive at current price levels.

Cargojet

Cargojet is another stock that has created significant wealth for its investors and has consistently outperformed the benchmark index. Notably, the pandemic boosted the demand for Cargojet's services, and, in turn, drove its stock higher.

Cargojet stock has corrected about 9.9% this year due to the normalization in demand trends. However, I expect the uptrend in its stock to sustain due to the solid momentum in its core business and robust e-commerce demand.

Furthermore, this air cargo company's next-day delivery capabilities and a solid domestic network add to its competitive advantage and will likely fuel growth by positioning it well to capitalize on the higher demand e-commerce demand. Meanwhile, its long-term customer contracts, fuel-efficient fleet, high client-retention rate, and international growth opportunities bode well for future growth.

Docebo

Docebo is another stock that has made its investors very rich, as its stock has headed north since listing on the TSX. Notably, Docebo's triple-digit returns in just two years are due to its stellar financial performance led by solid annual recurring revenues and growth in customer base.

Despite the recent growth in its price and the expected normalization in demand in the post-pandemic world, shares of this corporate e-learning platform provider could continue to rise higher. The ongoing shift towards digital platforms and the growing importance of corporate learning provide a solid base for growth.

I expect the continued momentum in OEM sales, higher average order value, large addressable market, customer acquisitions, and high retention rate to drive its financials and, in turn, its stock. Meanwhile, improved productivity and operating efficiency will likely cushion its profits.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CJT (Cargojet Inc.)
5. TSX:DCBO (Docebo Inc.)

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