



Top 3 Growth and Income Stocks to Buy Now

Description

With ample liquidity and lower interest rates, the stock market is an exciting place to be at the moment. While I admit that the COVID variants and expensive valuation pose challenges, the continued improvement in the economy and recovery in corporate earnings suggest that stocks still are a better investment option.

As I remain bullish on the stock market, I have shortlisted three TSX stocks that I believe offer investors a great mix of growth and income. Let's dig into each of these companies to know why you should consider buying their stocks.

goeasy

Let's begin with **goeasy** ([TSX:GSY](#)), one of the top-performing Canadian companies. goeasy has been firing on all cylinders and growing its revenue and earnings at a double-digit pace for about two decades now. Thanks to its stellar financial and operating performance, goeasy stock has more than doubled this year. Furthermore, it has consistently rewarded its shareholders with higher dividend payments, making it a top choice for investors seeking [solid growth](#) and regular income.

Looking ahead, I expect goeasy's revenue and profit to continue to grow rapidly on the back of higher loan origination, solid payments volume, and strategic acquisitions. Further, increased penetration of secured loans, a large sub-prime lending market, geographic and channel expansion, and new products will likely accelerate its growth. The company's high-quality earnings base also suggests that it is likely to enhance its future dividend payments.

Algonquin Power & Utilities

After goeasy, let's focus on **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which, in my opinion, is one of the top [growth and income](#) stocks. Though the company operates a low-risk utility business, it has consistently outperformed the broader markets and boosted shareholders' value through higher dividend payments.

Algonquin Power & Utilities's ability to generate solid earnings and its resilient cash flows indicate that the company could continue to deliver healthy returns in the coming quarters. Its high-quality regulated assets, long-term power-purchase agreements, and a growing rate base will likely drive its financials and, in turn, its stock price and dividend payouts. Further, Algonquin Power & Utilities's ability to acquire and integrate businesses and expansion of renewable power capacity business augur well for future growth.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is the final stock on my growth and income stocks list. It is an attractive investment for investors looking to benefit from economic recovery while generating consistent income along the way. It is worth noting that Bank of Montreal has the longest history of dividend payments of any publicly listed Canadian company. Further, Bank of Montreal stock is still trading cheap, which supports my bullish view.

The economic recovery will likely fuel growth at Bank of Montreal. Its diversified revenue streams, high-quality assets, and improved efficiency position it well to capitalize on favourable industry trends. Meanwhile, lower provisions and strong credit performance will likely support its earnings and dividend payouts. Bank of Montreal stock has risen nearly 74% in one year. However, its P/E and P/B multiples of 10.3 and 1.6 are well below peers, suggesting further upside.

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1. Bank Stocks
2. Coronavirus
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1. Editor's Choice

TICKERS GLOBAL

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2. NYSE:BMO (Bank of Montreal)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BMO (Bank Of Montreal)
5. TSX:GSY (goeasy Ltd.)

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