



TFSA Wealth: 2 Top TSX Stocks That Could Soar in 2022

Description

TFSA investors are searching for top TSX stocks that offer attractive [dividends](#) and a shot at huge gains next year.

Suncor

Suncor ([TSX:SU](#))([NYSE:SU](#)) reported strong Q3 2021 results that indicate the oil sands producer is back on track after a challenging 2020.

Suncor generated \$2.6 million in funds from operations in the quarter and operating profits of more than \$1 billion. That's a tidy sum for just three months.

Everyone knew the production business would perform well due to the more than 100% increase in the price of oil over the past year. The added bonus for investors was the strong rebound in Suncor's downstream operations, which include the refineries and retail locations.

Rising fuel demand from airlines and vacationers over the summer helped boost results for these groups. Suncor's four refineries make jet fuel, gasoline, diesel fuel, asphalt, and other products. Suncor also operates about 1,500 Petro-Canada retail outlets. The integrated business structure traditionally provided Suncor with a revenue hedge when oil prices dipped. That might become the case again in 2022 now that fuel demand is heading higher.

Suncor's share price appears [undervalued](#) today. The stock trades near \$33 per share at the time of writing. That's compared to \$44 before the pandemic when oil prices were much lower and fuel demand wasn't too far off current levels. Gasoline demand in 2022 could set records if commuters who have to return to the office for two or three days per week decide to drive instead of taking public transit.

Investors who buy the stock now can pick up a 5% dividend yield. It wouldn't be a surprise to see Suncor stock hit \$45 or \$50 by the end of next year.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is unique among the large Canadian banks in that it has significant international operations location in the Pacific Alliance trade bloc countries: Mexico, Peru, Chile, and Colombia.

The pandemic hit these nations hard, and the recovery will take longer than what is being observed in Canada and the United States. Political uncertainty has also been a concern, and that might be keeping investors away. There are always added risks when investing in emerging markets, but the long-term potential payoffs are attractive for Bank of Nova Scotia and its investors.

As the middle class expands, demand for loans and investment products should grow. The Pacific Alliance countries are home to more than 230 million people, so the opportunities for the bank are significant. Bank of Nova Scotia already generates strong profits from the international business, and the recovery should continue through next year.

The stock trades at a reasonable 11.6 times trailing 12-month earnings. Investors should see a large dividend increase when Bank of Nova Scotia reports fiscal Q4 2021 results on November 30.

Investors who buy the stock at the current price near \$83 per share can pick up a 4.3% dividend yield.

The bottom line on top stocks to buy in a TFSA for 2022

Suncor and Bank of Nova Scotia are top TSX stocks that appear attractive at current prices. They pay generous dividends and could deliver big gains in 2022.

If you have some cash to invest inside a TFSA, these stocks deserve to be on your radar.

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3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:SU (Suncor Energy Inc.)

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Date

2025/07/26

Date Created

2021/11/24

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