



2 Top TSX Stocks at New 2021 Highs to Buy Now

Description

Momentum investors are searching for top TSX stocks that are hitting new 12-month highs and could deliver big gains in 2022.

Nutrien

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) is a giant in the global fertilizer industry. The company is the planet's largest producer of potash and a leading supplier of nitrogen and phosphate. Farmers around the globe use the crop nutrients to boost yields.

Nutrien also has a large and growing retail business that provides seed and crop protection products to a half-million growers. In addition, Nutrien is ramping up its digital business to help farmers make their businesses more efficient.

High crop prices are driving strong farm profits and the extra cash is being used to plant extra acreage. This is leading to strong demand for crop nutrients and higher fertilizer prices. Nutrien is in a good position right now in the industry. It has spare potash capacity it can bring online quickly to take advantage of rising demand and better prices. The company increased potash production by one million tonnes in the second half of 2021. The benefits should show up in the Q4 2021 earnings report.

Nutrien pays a quarterly distribution of US\$0.46 per share. [Dividend investors](#) could see a generous increase in 2022 supported by expected strong free cash flow this year and positive momentum in the coming months.

The stock trades near \$93 per share at the time of writing and offers a 2.45% yield. It wouldn't be a surprise to see Nutrien top \$110 by the end of 2022.

TD Bank

TD ([TSX:TD](#))([NYSE:TD](#)) is up 34% in 2021, and more gains should be on the way next year.

The bank reported solid fiscal Q4 and full-year 2021 results. Adjusted net earnings came in at \$3.87 billion in the quarter compared to \$2.97 billion in the same period last year. Full-year adjusted net income was \$14.6 billion versus \$9.97 billion in fiscal 2020.

The strong performance shows how well the bank made it through the worst of the pandemic. Home sales and property prices soared, and government assistance helped existing borrowers make their payments.

A slowdown in the housing market might occur in the next few years, as interest rates start to rise, but higher rates tend to be positive for TD and its peers. Net interest margins normally increase, and returns on fixed-income investments expand.

TD recently announced a 13% increase in the quarterly dividend and intends to start buying back stock again after the removal of a government ban on these programs.

TD finished fiscal 2021 with a CET1 ratio of 15.2%. The required level is just 9%. This means the bank is sitting on excess capital that it will look to deploy. Investors could see TD make an acquisition along with additional increases to the distribution.

TD just topped \$96 per share. The stock still trades at a reasonable 12.5 times trailing 12-month earnings and has historically proven to be one of those great stocks investors can comfortably buy inside a self-directed RRSP and hold for 20 or 30 years until [retirement](#).

The bottom line on buying momentum stocks

Nutrien and TD have enjoyed good gains this year and more upside should be on the way in 2022. If you are searching for market leaders to add to your portfolio these stocks should deliver strong total returns.

CATEGORY

1. Investing

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:NTR (Nutrien)
4. TSX:TD (The Toronto-Dominion Bank)

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