2 Great TSX Stocks You Can Buy for $100

Description

Quality takes precedence over cost when investing in stocks. Investors won't mind spending $100 on a stock that delivers both income and capital growth. For example, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) trades at $94.12 today, but you'd still buy it even if the price hits $100 tomorrow.

In the real estate sector, **Granite** (TSX:GRT.UN) is perhaps a high-priced stock at $102.75 per share. However, its impressive performance amid the pandemic environment should give you the confidence to invest right now. With 2022 fast approaching, now is the best time to take positions in the premier bank stock and top-notch real estate investment trust (REIT).

Formidable as ever

Canada's second-largest bank joined its industry peers in announcing dividend increases effective Q1 fiscal 2022. TD's dividend will increase by 13%, while it will buy back $4.6 billion worth of its shares (2.7%). In fiscal 2021 (year ended October 31, 2021), the $173.69 billion bank reported a 20.2% increase in profits to $14.3 billion versus fiscal 2020.

In Q4 fiscal 2021, the Canadian bank proved once again that it's one of America's favourite banks. The net income of TD's U.S. division surged 66% compared to Q4 fiscal 2020. Assuming you remove the group's investment in Charles Schwab, the percentage increase of profits in its core U.S. retail banking operations should be around 123%.

According to Darko Mihelic, an analyst at **RBC** Capital Markets, all segments reported better-than-forecast results. He cited the significant contributions of TD's Canada Personal & Commercial and U.S. Personal & Commercial business segments. Also, TD's CET 1 ratio increased significantly and now looks very excessive when compared to peers, according to Mihelic.

Bharat Masrani, TD's president and CEO, said, "We ended the year in a position of strength, with a growing base of customers across highly competitive diversified businesses and a robust capital position." However, they aren't the only reasons to invest in TD.

Note that the blue-chip stock has been paying dividends since 1857 — or 164 years and counting. In the 2008 to 2009 financial crisis, TD was the only company that reported top- and bottom-line growth during the period.

Industrial-focused REIT

Granite appears expensive at first glance, because REITs rarely trades at $100 per share or above. The $6.69 billion REIT acquires, develops, and manages industrial, logistics, and warehouse properties in North America and Europe. Currently, Granite has 114 rental properties in six countries.

Management leverages the team's industry expertise to maximize total return for unitholders. Since the properties in the portfolio are in high demand, Granite generates stable and growing cash flows. In the nine months ended September 30, 2021, revenue and funds from operations increased 16.7% and 11.3% year over year.

Notably, Granite's net income after three quarters climbed 269.5% to $968.8 million versus the same period in 2020. After three quarters in 2021, the occupancy rate is a high of 99.2%, while the average weighted lease term is 5.8 years. The REIT's competitive advantage is its tenant base, as majority of the lessees are high-quality, credit-rated companies.

Magna International is Granite's lead tenant. While it contributes 31% to the REIT's annualized revenue, the landlord-lessee relationship is at an arms-length.

Current Granite investors enjoy a 36.3% year-to-date gain on top of the 2.92% dividend.

Worth your money

TD and Granite are worth more than $100 per share and are excellent buys if you have a long-term perspective.

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