



## Got \$500? 3 Top TSX Stocks to Buy in February 2022

### Description

Although markets have been turbulent of late, quality blue-chip TSX stocks will likely continue to outperform. Here are some of them for long-term investors.

### Canadian Natural Resources

If you want to play the crude oil rally, Canadian energy giant **Canadian Natural Resources** ([TSX:CNQ](#)) ([NYSE:CNQ](#)) could be an apt pick.

The stock has more than doubled in the last 12 months and still trades 13 times its earnings. That does not seem overly stretched compared to peers. It could see more upside in the future if energy commodities continue to trade strongly.

Since last year, higher oil and gas prices have substantially improved energy companies' earnings. So, companies have utilized this excess cash to improve their balance sheets and to return to shareholders.

CNQ has been no exception. It brought down total debt from around \$25 billion in 2020 to \$18 billion at the end of Q3 2021. The company will release its Q4 earnings early next month. The quarterly performance and management's commentary will be the key factors that could weigh on the stock.

CNQ's long-life, low-decline assets make it stand tall among top energy producers. Consistent dividends, a strong balance sheet, and a discounted valuation could continue to create meaningful [value for its shareholders](#) in the long term.

### Spin Master

Children's entertainment company **Spin Master** ([TSX:TOY](#)) is my second pick for long-term investors. Its recently released quarterly earnings and its foray into high-growth areas are some of the prime factors for being bullish on the stock.

Spin Master stock has soared 65% in the last 12 months and is trading 23 times its earnings. Its current valuation is way lower than the average historical valuation, which indicates a steep runway for growth ahead.

In 2021, Spin Master [reported](#) total revenues of \$2.04 billion, demonstrating a decent 30% increase year over year. Its digital games segment displayed an eye-popping 128% jump in top line last year relative to 2020.

Spin Master is a \$5 billion company that makes innovative toys, entertainment franchises, and digital games. Its products are distributed in more than 100 countries.

Spin Master's feature movie *Paw Patrol* and games like *Toca Life* could be the key growth drivers for the company. Also, last year's announcement of *Bakugan*'s extension into the [metaverse](#) will likely bode well for its growth in the long term.

## Air Canada

Canada's biggest passenger airline **Air Canada** ([TSX:AC](#)) has long been lagging broader markets. In the last 12 months, TSX stocks at large have gained around 20%, while AC stock has soared approximately 13%.

I have been positive on Air Canada stock for a while, mainly because of its solid balance sheet and leading market share. However, the recovery kept delaying, driven by mutating variants of the coronavirus and lower demand.

Air Canada plans to report its Q4 2021 earnings on February 18. The stock has shown quite an encouraging revival of late. How its net cash burn and top-line growth played out in Q4 remains to be seen.

The flag carrier has manageable leverage and a strong balance sheet that could fund its growth operations when travel normalizes. For value-cautious investors, it's worth noting that many TSX stocks have breached their pre-pandemic levels, but AC stock is still trading about 50% lower.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:AC (Air Canada)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:TOY (Spin Master)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

#### **PP NOTIFY USER**

1. kduncombe
2. vinitkularni20

#### **Category**

1. Investing

#### **Date**

2025/07/02

#### **Date Created**

2022/02/09

#### **Author**

vinitkularni20

default watermark

default watermark