2 Crash-Proof TSX Stocks I'd Buy With $5,000

Description

Every now and again, Canadians may receive a windfall, or find they've saved enough that they can put into their Tax-Free Savings Account (TFSA). The problem is, it's a pretty difficult time for **TSX** stocks right now.

It looks as though over the last few weeks, practically every single one of the TSX stocks have started to go down once more. Well, *almost* every single one. With that in mind, if you have some cash set aside you want to invest, here's where I'd put it.

Loblaw

Loblaw (TSX:L) continues to do well, despite the ongoing volatile situation among TSX stocks. The company didn't fare great at the beginning of the pandemic, with huge costs to protect customers from COVID-19. Never mind the lockdowns that affected the company.

But now, Loblaw stock is doing better than ever before. Costs have come down, it has curbside delivery going strong, and it has a number of other President's Choice-related revenue streams. This includes adding its loyalty program to gas stations and pharmacy products.

Loblaw is one of the few stocks trading at 52-week highs. And yet, it's still a buy in my books. Its first-quarter results are due on May 4, and the last quarter was strong. Revenue came in at $12.76 billion, a 2.8% year-over-year increase. Further, adjusted EBITDA came in at $1.32 billion — a 6.3% increase. And yet the company also managed to buy back two million shares.

Loblaw also blew past earnings estimates for the quarter, along with earnings per share. And yet it still trades at valuable levels. The company trades at 21.7 times earnings, and 3.42 times book value as of writing. Plus, you can pick up a solid dividend yield of 1.46%.

With shares up 73% in the last year and 14% year to date, it's a crash-proof TSX stock you can count on.

Dollarama

Dollarama (TSX:DOL) is in pretty much the same boat as Loblaw stock. The company had the same issues with the pandemic, having to spend to protect its customers. However, it too managed to keep its doors open as an essential provider. And now, it's one of the few TSX stocks soaring up to 52-week highs.

In fact, Canadians seem to be drawn to Dollarama for a deal. And rightly so. Analysts have identified the company as one that is the very last to increase prices due to inflation. However, the company has also diversified its offerings. Now, you can still pick up the low-cost items you count on, but can also find higher-priced goods that are still a deal but not necessarily a dollar.

This seems to be going well, according to the latest earnings report. Diluted earnings per share (EPS) were up 32.1% year over year for the fourth quarter, with EBITDA up 20.4% as well. Sales increased by 11%, and COVID-19 costs fell to a fraction of what they were. Finally, the stock increased its dividend by a whopping 10%.

Yet again, Dollarama stock is one of the TSX stocks that I'd consider a steal even with 52-week highs. Yes, it trades at 36.25 times earnings, so it's not a value stock. But it's come down slightly from those highs — highs that should come back up once more during the next quarterly report in June.

For now, shares are up 15% year to date and 26% in the last year. Plus, you can get a dividend of 0.28% that should increase to what it once was.

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