



My 3 Favourite TSX Stocks Right Now

Description

Finding the right mix of stocks for your portfolio takes time and plenty of patience. Fortunately, the market gives us plenty of options to consider. Among those options are some truly stellar options, such as my three favourite TSX stocks.

Favourite #1: TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the first of my favourite TSX stocks to consider. To be fair, Canada's big banks are always a great option to consider for your portfolio. But as to what makes TD that stellar option for your portfolio, there are several key reasons.

First and foremost, TD boasts a stable and reliable domestic segment. In the most recent quarter, that segment earned \$2,236 million, reflecting a humble 2% increase over the prior year. Keep in mind that overall, the bank earned \$3,811 million in the quarter. In other words, that domestic segment fuels a good chunk of TD's earnings. This allows the company to invest in growth, which leads me to the second point.

Few Canadians may realize this, but TD has a sizable presence in the U.S. that is rapidly growing. In fact, TD's U.S. branch network is now larger than its domestic market, stretching from Maine to Florida. That growth is set to accelerate further thanks to TD's deal to acquire First Horizon bank, which will expand the bank's market in the southeastern U.S.

Finally, let's talk dividends. TD has been paying out generous dividends without fail for over a century. The current yield works out to 4.24%, making it one of the better-paying options on the market.

Favourite #2: Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another great addition to a list of favourite TSX stocks to consider. The [energy](#) infrastructure behemoth may be best-known for its substantial (and very defensive) pipeline network, but it does offer more.

Don't get me wrong; that massive pipeline network generates cash for the company and is often compared with a toll network. But I would be remiss if I didn't mention Enbridge's renewable energy segment.

Over the past two decades, Enbridge has invested billions into building a renewable energy portfolio. That investment will continue to grow over the long term and offer an alternative (and diversify itself) from its better-known pipeline business.

Prospective investors should also note that Enbridge is also one of the largest natural gas utilities on the continent. This adds an additional element of diversification to an already lucrative investment.

Turning to income, Enbridge has one of the best-paying yields on the market. The dividend works out to a handsome yield of 5.98%.

Favourite #3: RioCan

Rounding out the list of favourite TSX stocks to consider is **RioCan Real Estate** ([TSX:REI.UN](#)). RioCan is one of the largest real estate investment trusts (REITs) in Canada, with a massive portfolio of over 230 properties. RioCan's portfolio has historically consisted of mostly commercial and retail properties, but that allocation is shifting.

Specifically, that shift is more towards residential. RioCan has a growing number of mixed-use properties situated on high-traffic transit routes in Canada's metro areas. In short, these are appealing options to people that were otherwise priced out of the overheated real estate market.

As an investment, RioCan is great for prospective investors that were considering a rental property. Specifically, RioCan provides a monthly distribution like a rental property, but without much of the risk associated with renting.

Perhaps best of all, that risk is spread out over hundreds of units instead of one property, and there's no down payment requirement.

RioCan's monthly distribution has a yield of 4.96%. This means that a \$50,000 investment, which is far less than a typical down payment, will earn a monthly income of \$206.

Even better: investors not ready to draw on that income yet can reinvest it until needed, allowing that income to grow even more.

Those are my favourite TSX stocks right now. What are yours?

No investment is without risk, and that includes the three stocks mentioned above. Fortunately, all three of the stocks above are established in their respective fields. They also boast some defensive

appeal and offer a healthy (and growing) dividend.

In other words, they are, in my opinion, great options for any well-diversified portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:ENB (Enbridge Inc.)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)
5. TSX:TD (The Toronto-Dominion Bank)

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Date

2025/08/15

Date Created

2022/08/02

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