3 TSX Stocks I'd Run to Buy This Week

Description

After rising over 5% in October, the **S&P/TSX Composite Index** notched another +5% gain in November. Cooling inflation and the indication from the U.S. Federal Reserve of lower interest rate hikes in the coming months appear to have increased investors' confidence. So, amid improving investors' sentiments, here are three top TSX stocks that I would buy right now.

BCE

BCE (TSX:BCE) is one of the leading players in the capital-intensive telecommunication business. Amid rising interest rates, the company has lost around 13.5% of its stock value compared to its April highs, as investors fear that rising interest could hurt its margins. Amid the pullback, the company's NTM (next 12-month) price-to-earnings multiple has declined to 18.4

Meanwhile, the demand for telecommunication services has accelerated amid digitization and growth in remote working, learning, and shopping. The company is continuing with its accelerated capital investment program to expand its 5G and broadband infrastructure. The company's management expects its 5G+ services to cover around 40% of Canadians by the end of the year. The company's revenue from the media segment could continue to grow, given its diversified asset mix.

With available liquidity of $3.5 billion as of November 3, BCE's balance sheet also looks healthy. Also, the company rewards its shareholders by raising its dividend at a compound annual growth rate (CAGR) of over 5% for the last 14 years. Its forward yield currently stands at a juicy 5.75%.

Cargojet

Second on my list is **Cargojet** (TSX:CJT), which offers time-sensitive air cargo services to prominent cities in Canada. The company delivered a solid third-quarter performance in October, with its revenue and adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) growth of 22.8% and 15.8%, respectively. Meanwhile, the company's uptrend will continue, as e-commerce growthcould drive the air cargo demand in the coming years.

Analysts are projecting the air cargo business to grow at a CAGR of 4% this decade. However, the global freighter fleet could grow only at a rate of 2.5%, thus creating a shortage in air cargo services. The company's long-term agreements with blue-chip companies will provide stable cash flows. The company has also planned to expand its fleet by adding around 12 aircraft over the next two years. So, given its growth prospects and favorable market conditions, I am bullish on Cargojet.

Innergex Renewable Energy

My final pick is **Innergex Renewable Energy** (TSX:INE), a Canadian renewable energy company. It has an economic interest in 84 facilities with a total production capacity of 3,582 megawatts. Despite the challenging environment, the company has maintained its growth. In the recently reported third quarter, the company's revenue grew by 40% amid increased production, higher prices, and acquisitions. Along with top-line growth, its adjusted EBITDA also increased by 48%. It also generated free cash flows of around $159 million during the quarter.

Meanwhile, Innergex has 12 projects currently in advanced stages, which can add 908 megawatts of production capacity. The projects in the early and mid-stage can increase the company's production capacity by 7,500 megawatts. So, the company's project pipeline looks healthy. It also pays a quarterly dividend of $0.18, with its forward yield at 4.3%. So, given its healthy growth prospects and attractive dividend yield, I am bullish on Innergex Renewable Energy.

CATEGORY

1. Investing

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1. TSX:BCE (BCE Inc.)
2. TSX:CJT (Cargojet Inc.)
3. TSX:INE (Innergex Renewable Energy)

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1. Investing

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