



3 Top Canadian Stocks to Buy This Month

Description

The Canadian stock market has been riding a strong bull run through the first six months of the year. The **S&P/TSX Composite Index** is up an impressive 15% year to date. And if you go back 12 months, the growth is close to 30%.

Even as the market is trading at all-time highs, I'm putting as much available cash to work as possible. The country's reopening could lead to an economic rebound that sees the bull run continue through the rest of the year.

If you're like me — bullish on the potential economic recovery — now is the time to load up on [top Canadian stocks](#). Here are three companies that you should have on your radar right now.

Constellation Software

This tech company has quietly been one of the top-performing stocks on the **TSX** over the past decade. Shares are up more than 2,500% since 2011. In comparison, the Canadian market is up just 50%.

Constellation Software ([TSX:CSU](#)) is a software company that serves clients across a wide range of industries. Its management has been able to successfully execute an aggressive acquisition strategy that has focused on buying out smaller players in niche markets across the globe.

Headquartered in Toronto, the company has clients spread across North and South America, Europe, and Asia.

In a market where most top growth stocks will cost investors a steep price, Constellation Software is trading at a bargain price. Paying a price-to-sales (P/S) ratio above 20 for a [growth stock](#) today is not uncommon. This tech stock trades at a P/S ratio below 10 and a forward price-to-earnings ratio below 40.

It's not exactly a [cheap investment](#), but considering it's been a 25-bagger over the past decade, it's a steal.

Brookfield Asset Management

You won't find many Canadian stocks that can match the level of diversification of **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). The asset management company has a global presence with investments across a wide range of different industries.

But even as diversified as it is, the stock has managed to be a consistent market beater over the years. Shares of Brookfield Asset Management are up 130% over the past five years and more than 250% over the past decade. It's been a market-crushing investment ever since it joined the TSX just over 20 years ago.

For anyone new to investing, this is one stock I'd highly recommend picking up shares of. The instant diversification that this stock can provide is very useful for anyone that's in the process of building a new portfolio from scratch. Not to mention it has a reliable track record of delivering market-beating growth.

Toronto-Dominion Bank

The banks typically aren't known as being top growth drivers in the Canadian stock market, but it's been a different story this year. Even in a low-interest-rate environment, the major banks have all managed to outperform the broader market's returns in 2021.

It's more than just growth that has **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) on my watch list, though. I've got the \$160 billion bank on my watch list for two other reasons.

First, it pays an annual dividend of \$3.16 per share. That's good enough for a yield of 3.6% at today's stock price.

Second, the bank has a significant amount of its net income driven from south of the border. With most of its U.S. operations on the east coast, the U.S. market has the potential to be a major growth driver for the bank over the next decade. And not only does that provide growth potential for shareholders, but it also gives Canadian investors exposure to the much larger U.S. economy.

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Date

2025/09/10

Date Created

2021/07/06

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