



Got \$500? 3 Top TSX Stocks to Buy Right Now

Description

Three months into the year and the Canadian stock market is already up nearly 10%. The growth hasn't come without high levels of volatility, though.

The Canadian market as a whole may be off to a hot start this year, but that hasn't been the case in all sectors. After a strong 2020, tech and [renewable energy](#) have been lagging the market through the first three months of the year. Banks stocks, on the other hand, had an extremely rough year in 2020 but have been on absolute fire as of late.

As a long-term Foolish investor, I don't get overly concerned with short-term price movements. Instead, I focus on buying top **TSX** stocks and holding for the long-term.

Here are three top Canadian companies that should be on your watch list today. The best part is, you can own all three for less than \$500 right now.

Bank of Montreal

As I mentioned earlier, the Canadian banks have been amongst the top **TSX** stocks this year.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) trailed the **S&P/TSX Composite Index** last year, but the bank stock is up nearly 20% year to date.

Bank stocks were crushed last year as interest rates plummeted during the pandemic. What's interesting is that interest rates are still far below pre-COVID-19 levels but the major banks are back to trading at all-time highs.

Across the **TSX** this year we've seen a shift out of over-priced [growth stocks](#) and into cheaper value plays, such as the big banks. I think that shift toward value stocks has been a key driver in sending the Canadian banks on an impressive bull run through 2021 so far.

While BMO might be trading at an all-time high right now, that shouldn't stop you from picking up shares. The \$70 billion bank is still very reasonably priced at a forward price-to-earnings ratio of just 10.

Northland Power

Energy stocks have struggled for most of 2021 but were some of the top companies to own last year.

Year to date, shares of **Northland Power** ([TSX:NPI](#)) are just about flat. In 2020, the green energy stock was up close to 70%.

The rise in demand for renewable energy sources has been steadily growing over the past few years. It's one sector that I'm actively trying to increase my exposure to and Northland Power is at the top of my watch list.

The \$10 billion company is a perfect entry-level pick for investors looking for exposure to the growing industry. Northland Power provides shareholders with broad exposure to the renewable energy market, market-beating growth potential, and a [respectable dividend yield](#) of 2.6% at today's stock price.

Dye & Durham

Similar to renewable energy stocks, high-growth tech companies have not fared particularly well this year.

Dye & Durham ([TSX:DND](#)) joined the TSX in July 2020. In not even half a year, the stock had grown more than 200% by the end of 2020.

As of late, though, the stock has hit a rough patch. Along with many other [tech stocks](#), Dye & Durham is trading at a discount right now. The stock price today is more than 20% below where it was just about two months ago.

Volatility like this should not come as a surprise. Even at today's discounted price, shares of Dye & Durham are trading at a very frothy price-to-sales ratio of more than 30.

Valuations like this are high enough for many investors to not even consider adding Dye & Durham to their portfolios. But considering the strong growth numbers that the tech company has put in the short time it's been a public company, long-term investors might want to take advantage of this opportunistic dip in price.

CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

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1. bank of montreal

2. Bank stocks
3. banks
4. bmo
5. bmo stock
6. clean energy
7. DND
8. dnd stock
9. dye & durham stock
10. dye and durham
11. energy
12. energy stocks
13. green energy
14. northland power
15. NPI
16. npi stock
17. renewable energy

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:DND (Dye & Durham Limited)
4. TSX:NPI (Northland Power Inc.)

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