3 Stocks I'd Buy Right Now That Will Beat the TSX

Description

A good way to protect yourself when investing is to look at companies that have good fundamentals, are well established, and that you can rely on for stable, long-term growth.

This is particularly important when the markets are showing signs of instability and duress, especially now as we are seeing uncertainties relating to NAFTA, the U.S. government, as well as geopolitical tensions in many parts of the world. Any one of these factors could have a significant impact on North American stocks, and one way investors can combat this is by holding safe stocks that can survive the storm.

Below are three stocks that are some of the bigger players on the TSX that have the size and stability needed to withstand any turmoil in the markets and in their respective industries, and that are also likely to outperform the TSX.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) has had an absolutely dreadful start to 2018, and in the past six months its share price has declined more than 20%. However, the stock has found some support at ~$40, and as we are starting to see more excitement in the industry, it could be a great time to hop aboard this bandwagon, as it is overdue for a recovery.

Enbridge has performed well, even amid a low price of oil, as it has turned a profit in each of the past five quarters. In its most recent quarter, the company's sales were up nearly 40%; however, other expenses negated much of that growth and resulted in earnings declining from the previous year.

The stock's performance has been significantly impacted by the pessimism in the industry and in the markets overall. Normally, a blue-chip stock trading near its 52-week low, a little more than book value, and paying a dividend north of 6% would seem like an obvious buy, but that hasn't been the case.

This stock is overdue for a recovery and could see a lot of upside from its current price.

Fortis Inc. (TSX:FTS)(NYSE:FTS) is a less-risky option than Enbridge only because its stock performance isn't so heavily impacted by a commodity price. Year to date, the share price has declined 7% and has been slightly outperformed by the TSX, but that trend shouldn't continue for much longer.

With Fortis trading at 18 times earnings and 1.3 times its book value, it's a good value buy considering that investors will also be securing a reliable, growing dividend of nearly 4%. The utility provider has a lot of stability in its financials, and in four of the past five quarters, sales have been higher than $2 billion.

Fortis is a solid buy that also isn't too far from its 52-week low, and the stock could have a lot of room to run from here.

Suncor Energy Inc. (TSX:SU)(NYSE:SU) is another blue-chip stock to round out your portfolio. It has exposure to the oil and gas industry, but it hasn't suffered the same disastrous fate that Enbridge has. Year to date, the stock price is up 1%, and over the past 12 months it has risen 14%.

There is still much more potential for the company, as it continuously looks for ways to improve its bottom line. Recently, Suncor announced that it would be deploying driverless trucks at its operations as a way to further cut costs.

At less than twice its book value and a multiple of just 17 times its earnings, the share price is an attractive buy, given the potential upside that the price has over the long term.

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1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:ENB (Enbridge Inc.)
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