



2 Top Canadian Stocks to Buy Now

Description

You might want to buy top Canadian stocks now through this market crash to bank on their strengths and inevitable recovery. If you're ready for a volatile ride in this bear market, let's get right down to the top Canadian stocks to buy now.

Top Canadian stock to buy: Alimentation Couche-Tard

One of the top Canadian stocks to buy now is **Alimentation Couche-Tard** (TSX:ATD.B). As a convenience store leader, it has defensiveness similar in nature to grocery stores like **Loblaw** and **Metro**. However, it has greater multi-year growth potential due to its acquisitive strategy.

Couche-Tard is defensive, a consumer staples stock that enjoys relatively resilient earnings even in economic downturns. That said, its road transportation fuel earnings will drop meaningful this year due to lower demand for the product.

Given that the top Canadian stock has corrected more against the likes of Loblaw in this market crash, Couche-Tard stock is set to deliver greater upside.

The company has a proven ability to integrate acquisitions and capture synergies. Since 2004, it has made more than 60 deals and has integrated over 10,000 stores in the process. Furthermore, it sees massive acquisition opportunities globally, including in the United States and Asia.

For years, Couche-Tard has generated stable cash flows that allow for acquisitions and dividend growth. Investors should categorize Couche-Tard as a growth stock. Its yield is 0.8% and its five-year dividend growth rate is about 28%.

At about \$36 per share at writing, Couche-Tard is attractive, trading at roughly 14.1 times earnings for its growth prospects in the long run.

Top Canadian stock: Brookfield Asset Management

Another top Canadian stock to buy now is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). It's a large-scale, diversified global alternative asset manager and operator.

After acquiring and partnering with Oaktree, BAM now manages a massive portfolio of assets across real estate, infrastructure, renewable power, private equity, and credit that total approximately US\$540 billion.

At the end of 2019, BAM's fee-bearing capital jumped substantially to US\$290 billion from US\$164 billion in mid-2019 thanks predominantly to Oaktree. As a result, the company's fee-related earnings also increased meaningfully to US\$1.2 billion in 2019.

BAM also earns gains from its private funds when investors receive a predetermined minimum return. These gains are accumulated as carried interest that's typically paid to BAM after the capital is returned to investors.

Last year, BAM realized US\$600 million of gross carried interest, double the amount recognized in 2018. However, it still had US\$3.6 billion of unrealized carried interest at the end of 2019.

There's no doubt that Brookfield Asset Management's assets under management, cash flow, and unrealized carried interest are going to grow in the long run.

However, BAM is sensitive to economic booms and busts, which is why the stock has corrected meaningfully by about 24% despite popping a whopping 55% from its low in March.

Like Couche-Tard, investors should treat BAM as a growth stock. It offers a yield of 1.4% and has increased its dividend by about 10% per year over the past five years.

The Foolish bottom line

If you're looking for top Canadian stocks to buy now, consider buying Couche-Tard and Brookfield Asset Management on meaningful dips [throughout this bear market](#). You should enjoy massive upside by the time the economy gets back on its feet.

Here are other [best TSX stocks](#) to consider.

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