3 of the Best Canadian Stocks to Buy in September

Description

Investors looking for the best Canadian stocks need to have a game plan. There are many different strategies when it comes to stock investing. Investors should know what their long-term financial goals are, and how theses strategies align with their best interests. However, for the purpose of simplicity, the stocks we will look at today have been chosen for a mix of value and long-term dividend stability.

Build bank positions on weakness

The dust has settled on earnings season for Canadian banks. This allows investors to take a step back and see which of our Big Five moneylenders belong in their stock portfolios. One name stands out in particular for a couple of reasons. **Scotiabank** (TSX:BNS)(NYSE:BNS) fared less well than its Big Five peers, making it a slightly better value play at the moment. So, that's reason number one.

But reason number two both explains why Scotiabank was ailing in the most recent quarter, while its competitors stepped up their game. Scotiabank has a lot of access to Latin America. While this makes it a play for international growth, it also accounts for a delayed fiscal response to the pandemic. Investors may want to build bank positions slowly, then, considering the amount of risk that the pandemic still poses to the financials space.

Since the Pacific Alliance is being impacted later than some other regions, Scotiabank will see a staggered improvement relative to other Canadian banks. I've written previously that it could be a tough fall for Canadian bank stocks. While waiting for Q4 results will bring a clearer picture of just where this sector is at in 2020, now may be a good time to begin building a position slowly on weakness.

Match gold stocks with low-volatility rail networks

Investors need tried and tested passive-income stocks that can take pretty much everything that is thrown at them. This is especially true for investors with low risk thresholds. Ideal stocks that fit a low-volatility strategy include **CN Rail** (TSX:CNR)(NYSE:CNI) and **Newmont** (TSX:NGT)(NYSE:NEM).

Mixing a huge rail network with a world-leading gold miner is a strong play for passive income that should outlast whatever the markets have in store for the rest of the year.

Gold investors may be tempted to buy into **Barrick Gold** after the revelation that Warren Buffett had recently gone all in. However, for a mix of value and growth potential, it might be argued that Newmont is the better play. First of all, for the value-focused investor seeking richer yields, Newmont's 1.6% yield beats 1.1% dividend. Newmont also has further to run in terms of share price appreciation.

Now match that low-volatility gold stock play with CN Rail's ultra-diversified wide-moat business empire. CN Rail is pretty much the Don Corleone of TSX stocks. It touches on just about every other industry, deriving revenue from a huge cross-section of Canadian enterprise. While a 1.7% dividend yield may not be significantly rich, it's fed by a defensively varied pool of income unlikely to dry up anytime soon.

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:NEM (Newmont Mining Corporation)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CNR (Canadian National Railway Company)
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vhetherington