



4 Top Canadian Stocks to Buy in an Uncertain Market

Description

After the Canadian stock market crashed closed to 40% in early 2020, the market has rebounded impressively well. Since bottoming out in the last week of March, the **S&P/TSX Composite Index** went on to surge close to 60% through the rest of 2020.

With a bull run like that, all may seem well in the economy today, but don't let the Canadian stock market's performance fool you.

Vaccines are beginning to be distributed in Canada, but many cities across the country are still, for the most part, in lockdown.

Before jumping on the bandwagon of high-flying tech stocks, Canadians should take a good, hard look at their [portfolios](#) to see how they would hold up if the market were to crash again in 2021.

It's very possible that those high-flying tech stocks that you owned in 2020 grew so much that they now account for an uncomfortably high percentage of your portfolio. If that's the case, you'll wisely want to look to balance out that growth with some reliable, [blue-chip, Canadian stocks](#).

In Canadian banks we trust

The major banks have been among the most stable and reliable Canadian stocks for decades.

The pandemic has certainly stunted the banks' growth, at least in the short term. But if you're a long-term Foolish investor, now is a great time to be adding a major Canadian bank stock to your portfolio.

The Canadian banks can provide stability to a portfolio, which is crucial for any investor to be able to calmly withstand a turbulent market. But there are more reasons than just stability to own a Canadian bank stock.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) and **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) are two top bank stocks that Canadian investors will want to have a closer look at.

All of the major banks own market-leading dividend yields, but perhaps none is impressive as BMO's.

At today's stock price, the annual dividend payout of \$4.24 per share is equal to a yield of more than 4%.

What separates BMO from its peers, though, is its dividend streak. The Montreal-headquartered bank has been paying a dividend to its shareholders for more than 190 consecutive years.

At a dividend of \$3.16 per share, TD Bank also owns a dividend yield above 4%. But what makes TD Bank an appealing buy for me today is not its dividend, but rather its exposure to the U.S. economy.

It's no secret to hear that the U.S. stock market has largely outpaced the growth of the Canadian market over the past decade.

About 25% of TD Bank's net income comes from south of the border. As a result, this Canadian bank can provide investors with not only passive income and stability but exposure to the American economy as well.

Top Canadian stocks not in the finance sector

The major banks are some of the most dependable Canadian stocks to own, but you can't count on them to be consistent market beaters. That's all right, though, you're not owning them for the market-beating growth potential.

Valued at a market cap of \$80 billion, **Brookfield Asset Management** ([TSX:BAM.A](#))([NYSE:BAM](#)) is as close to an exchange-traded-fund as you'll get in an individual stock. The asset management company invests in real estate, infrastructure, renewable energy, and private equity.

Brookfield Asset Management can provide shareholders with not just market-beating growth potential, but a dividend too.

At an annual dividend of \$0.62 per share, a yield of just over 1% isn't much to write home about. You're buying this company for the stability and growth potential, though, and not necessarily the dividend.

Over the past decade, Brookfield Asset Management has returned growth of close to 300% to its shareholders. In comparison, the S&P/TSX Composite Index has returned not even 50%.

Sticking with the Brookfield family, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) specializes in the renewable energy sector. The Canadian stock may lack stability and diversification in comparison to Brookfield Asset Management, but it more than makes it up for it with growth potential.

Over the past decade, Brookfield Renewable Partners has returned growth of almost 400%. That is more than 10 times what the Canadian market has returned over the same time span.

Not only that, it owns a dividend that yields close to 3% at today's stock price.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

POST TAG

1. bank of montreal
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3. bmo
4. brookfield asset management
5. brookfield renewable partners
6. canadian banks
7. dividend aristocrat
8. dividend stocks
9. Editor's Choice
10. TD Bank

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:BMO (Bank of Montreal)
3. NYSE:BN (Brookfield Corporation)
4. NYSE:TD (The Toronto-Dominion Bank)
5. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
6. TSX:BMO (Bank Of Montreal)
7. TSX:BN (Brookfield)
8. TSX:TD (The Toronto-Dominion Bank)

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