



Got \$1,000? 3 Top Canadian Stocks to Buy in March

Description

Canadian stock investors have had a roller coaster ride in 2021. First, we started out with a technology and renewable stocks leading the charge. Now the markets have strongly reversed in favour of more cyclically-orientated stocks like energy, banking, and industrials. [Don't be alarmed](#). This is natural. Markets get hot and it is important that they take a break sometimes.

Volatile markets have a balanced mix of Canadian stocks

In times like these, it is important to have a well-balanced stock portfolio with a mix of everything from growth and income to cyclical and stable. Every investor thinks investing is about making money, which is completely true.

However, it is just important not to lose money and have appropriate diversification to, in a sense, hedge your bets. There is never any time where your entire portfolio will work. However, over time, a good mix will protect your downside and drive long-term stable returns.

Say today you are sitting on a few thousand dollars that you can afford to start working in the stock market. Here are three great Canadian stocks I would be looking to buy right now in March.

A top energy stock

The first top Canadian stock I like right now is **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)). Gasp! An energy stock! While I am not a huge fan of energy stocks, I really like this stock right now. Last March, CNQ along with the entire Canadian oil patch got crushed as oil prices went negative. Many commentators thought this could be the final blow for many Canadian oil producers.

For some smaller producers it was. However, Canadian businesses find ways to win in any environment. Over the past year, CNQ has been reducing costs, finding operational efficiencies, and generally finding ways to become leaner and more competitive. Consequently, with oil prices near US \$70 this stock is a free cash flow machine. Right now, it has a free cash flow yield above 20%!

It pays a nice 4.9% dividend right now. However, if oil stays in this range, the company has ample opportunities to reduce debt and buy back lots of stock. Given this, I think there is still some solid upside in 2021.

A top Canadian income stock

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is another great Canadian stock if you want to lock in some very safe income. This stock was facing pressure earlier on in the year, as many investors rotated capital into more risky investments. However, the stock is starting to reverse upward.

Fortis has a very stable business platform. You don't get more essential assets than electric and natural gas transmission utilities. As a result, the majority of its cash flows are guaranteed by regulated contracts.

As electric infrastructure increasingly turns green, it will require huge investments into the power grid and transmission assets. This Canadian stock is setting up to be a huge beneficiary from this trend. The company pays a nice 3.8% [dividend](#), but management expects to grow that by at least 5% a year for the next five years.

A top TSX growth stock

The last Canadian stock you may want to consider putting \$1,000 into is **Lightspeed Pos** ([TSX:LSPD](#))([NYSE:LSPD](#)). On the valuation spectrum this one is pricey. However, in the past few weeks it has pulled back by almost 30%. This could present a nice long-term opportunity to by a faster-growth name.

Lightspeed provides omni-channel point-of-sales systems across the globe. It has been expanding rapidly. The pandemic has actually created a massive acceleration in demand for omni-channel sales platforms.

This Canadian stock has multiple levers for growth through acquisitions, broader payments service adoption, merchant loans, product development, and cross selling. This is a volatile stock. However, if you take a long approach, I think this stock will reward with upside for many years ahead.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:FTS (Fortis Inc.)
6. TSX:LSPD (Lightspeed Commerce)

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