



Got \$3,000? 3 Top Stocks to Buy in a Market Correction

Description

You never know when there may be a stock market correction. That's what makes timing the market so difficult. It's also why buying stocks for the long term is so important.

Stock market corrections are often thought of as an unnerving event that we would rather avoid. However, true long-term investors welcome these selloffs as the perfect chance to add to their portfolios.

Investing in stocks is difficult because you can see the value of your investments every day. So even if you plan to hold a stock for the long-term, when it loses value on a given day, or week it can be disheartening.

Conversely, when a stock rises, it often brings euphoric emotions. Even though we all know that the next day the stock could be right where it was the day prior.

These emotions are natural. However, they can also prompt investors to make big mistakes, which is why it's so crucial to remember that our investments are for the long term.

So, should a stock market correction materialize, rather than panic in the moment, we can welcome it and take full advantage of the high-quality [stocks trading undervalued](#).

Before we can do that, though, we need to ensure we have adequate cash. That's why it's always important to hold some cash in your portfolio and why having an emergency fund is the number one way to [prepare for a market pullback](#).

Here are three of the best Canadian stocks I'd be looking to buy with that in mind.

A top Canadian tech stock to buy in a market correction

There are several high-quality Canadian stocks that investors would be happy to buy at a significant discount. Personally, though, I think the best stock to buy in a market correction would have to be **Shopify Inc**

([TSX:SHOP](#))([NYSE:SHOP](#)).

Shopify has been one of the best growth stocks in Canada over the last few years. There are always a handful of stocks that earn investors impressive returns over the long run. Shopify, though, takes it to another level.

The company has a tonne of potential to continue dominating in its industry and expanding its operations. Investors recognize this, though, which is why the Canadian tech stock always trades with a premium.

So any time you can get a chance to buy Shopify at a discount, such as during a market pullback, it's one of the top Canadian stocks you can buy.

A top Canadian financial stock

Another one of the very best long-term businesses you can own in Canada is **Brookfield Asset Management Inc** ([TSX:BAM.A](#))([NYSE:BAM](#)).

Brookfield is one of the most impressive businesses there is. Unlike Shopify, which has a product and service that it's built and continues to develop, Brookfield is an investment manager.

The company has grown rapidly and consistently — all thanks to the incredible investments it's made over time.

Over the last decade, Brookfield investors have seen returns just shy of 390%. That's a compound annual growth rate of more than 17%. This shows exactly why Brookfield is one of the top stocks to buy in a stock market correction. The discount you can get is pretty significant too.

During the last market crash in 2020, the stock dropped by a whopping 46%. So those investors who happened to buy at its low, would have already made 78% in the last 13 months.

Renewable energy stocks

Just like Shopify, some of the best stocks to buy in a correction are [growth stocks](#). Growth stocks tend to trade with a premium and are usually more volatile when the market falls. This means the discount in these stocks will be even more opportunistic.

Some of the best growth businesses to buy these days are [renewable energy stocks](#). So these and other high-growth stocks are definitely some of the best to buy during market turmoil.

Several green energy stocks would be worth a buy during a correction. One of the best to consider would have to be **Northland Power Inc**.

Northland has been one of the top growth stocks in the industry for a while. Management is consistently hitting its goals and growing shareholder's value.

So if a stock market correction happens to materialize in the near future, these are some of the top stocks to consider first.

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