



## Here Are the 3 Smartest Canadian Stocks You Can Buy Right Now

### Description

Investing in Canadian stocks is pretty difficult right now. Stocks that performed well in 2020 are now in the doldrums. Likewise, stocks that have been unloved by the market for years are now trading at ever-new highs. This is largely because the market is trying to understand what a normalized economy will look like outside of the COVID-19 pandemic. Certainly, factors like inflation and potentially rising bond yields send shivers down investors' backs.

In reality, the best an investor can do is have a diversified portfolio with exposure to diverse sectors and asset classes. Own some growth, some [dividend stocks](#), and some value. If you are concerned about economic factors like longer-term inflation, here are three Canadian stocks that would be very smart to own right now.

### A leading Canadian infrastructure stock

**Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) is a perfect stock that will do well in an environment with moderate inflation and steady economic growth. It owns and operates a diverse portfolio of essential economic assets.

These include railroads, ports, gas pipelines, energy export terminals, data centres, and cell towers. Due to the essential nature of these businesses, BIP garners very consistent and predictable cash flow streams. Its assets are largely contracted or regulated in some way or another.

However, when the economy is pumping, [it gets a piece of the action](#). It gets the benefits of higher usage volumes and stronger commodity pricing. Likewise, 75% of its assets garner inflation-indexed rate increases.

Consequently, the company has a lot of imbedded organic growth ahead. As a result, it can consistently raise its dividend by around 10% a year. Today, it pays a 3.79% dividend, but given the dividend growth, BIP is a gift that keeps on giving.

## A top Canadian pipeline stock

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is another Canadian stock that would be smart to have on your radar. It operates energy infrastructure assets for Western Canadian energy producers. This is a stock that was hated only a few months ago.

Yet despite the pandemic, Pembina's business has performed very admirably. It has a very prudent management team. It took the 2020 downturn to improve its balance sheet, lower costs, find efficiencies, and improve its pipelines and processing capacity.

Almost a year after the March 2020 oil crash, this business is in excellent condition. Its pipeline volumes are drastically increasing, and its gas-processing business is garnering great pricing margins. It is a rare event that all aspects of its diversified business are running at full steam.

Yet, today they are. If the global economy continues to recover from the pandemic, Pembina should see some very good upside. Today, this Canadian stock pays a great 6.5% yield, and I expect that could grow in 2022 if fundamentals continue.

## An up-and-coming residential REIT

If you want to battle inflation, real estate has historically been a great asset to own. Rather than buying your own rental property and managing the hassle of leasing and maintenance, why not just buy **BSR REIT** ([TSX:HOM.U](#))?

BSR owns garden-style residential properties in Dallas, Houston, Austin, and Oklahoma City. Many Canadians may not recognize it, but these are some of the fastest-growing municipalities in North America.

BSR has been spending the past few years recycling its portfolio into newer, better-located properties that have attractive rental-rate growth opportunities. As a result, this Canadian stock has some very favourable tailwinds supporting long-term cash flow growth.

Despite a recent uptick in its stock price, BSR is a huge bargain. In many respects, its properties and operational platform are superior to many peers. Yet, it still trades at a significantly discounted price comparatively. Also, this Canadian stock pays a very attractive 4% dividend. If you want value, growth, and income combined, BSR is an ideal inflation-hedged stock to own for the long run.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Personal Finance
5. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:HOM.U (BSR Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)

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