



4 of the Best Stocks to Buy in Canada Right Now!

Description

Stocks in Canada have been soaring since the start of 2021. The **S&P/TSX Composite Index**, Canada's most important benchmark, just hit 20,000 points, and there could be more upside from here.

As the world recovers from the COVID-19 pandemic, Canada's beloved financial, materials, resource, and real estate stocks are primed to benefit. With this strength in mind, here are four of the best stocks to buy in Canada right now.

A top financial stock to buy in Canada

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is great success story in Canada. Over the past 20 years, this stock has provided investors a 1,200% return (not including spin-outs or dividends). It has grown to become one of the world's largest alternative asset managers. It has over \$600 billion of assets under management.

In a low interest rate environment, BAM is seeing a surge in demand for its higher-yielding alternative assets. It is creating new strategies in insurance, impact investing, and even technology. It just commenced a new round of fundraising, targeting \$100 billion of capital.

All this means more fee-related earnings and potential for long-term carried interest (i.e., it gets a stake in fund profits). Its contrarian, [value-focused strategy](#) enables it to win when the economy is strong but also in market recessions. Considering this, this leading stock in Canada is one to buy and hold for the long run.

A leading pipeline stock

Another top stock in Canada is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)). This is a more cyclical play on the economic recovery in global energy demand. Pembina operates a diverse set of energy infrastructure assets including midstream/natural gas processing facilities and pipelines across Canada and the United States. This stock unfairly crashed when energy prices dived last year.

Yet, in 2020, management shored up its balance sheet, reduced costs, and sought out operational efficiencies. Now, this business is leaner than ever before. It has ample operational leverage to benefit from strong energy pricing and higher volume demand.

Not to mention, Pembina is looking to [acquire Inter Pipeline](#), which could really provide a massive boost in earnings over the long term. The stock pays a 6.60% dividend while you wait for the thesis to roll out.

One of Canada's best energy stocks to own

Another solid cyclical stock to own in a new energy cycle is **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)). During the 2020 oil crash, CNQ was one of the only energy super-majors to not lower its dividend. Consequently, investors in Canada have rushed back quicker to this name than other peers, like **Suncor**.

The reality is, this business produces oil and natural gas with factory efficiency. In the first quarter of 2021, it produced a record 1.246 million barrels of oil equivalents. It reduced operating costs by 5%. It can now produce oil from its oil sands operations for less than \$20 per barrel.

Consequently, this stock is producing a ton of free cash flow. It already pays a 4% dividend. Management expects a 24% free cash flow yield in 2021. With excess cash going to pay down debt and buy back stock, this stock still has good upside this year.

A North American packaging leader

Another industrial stock investors in Canada should consider is **Intertape Polymer Group** ([TSX:ITP](#)). This stock is not well known. However, its business is one of the leading providers of tapes, packaging, and wraps in North America.

During the pandemic, the surge in e-commerce demand meant a massive increase in demand for packaging products. Consequently, Intertape had one of its strongest years on record. While this is not a hot tech stock, it is growing at the pace of e-commerce demand in North America.

It also has a number of products for the building industry and brick-and-mortar retailers that will do well from the pandemic recovery. Despite significant opportunities to grow organically, this stock still trades at a discount to peers. Given this, it looks like a solid stock to own in Canada right now.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:BN (Brookfield)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:ITP (Intertape Polymer Group)
7. TSX:PPL (Pembina Pipeline Corporation)

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