



## 3 Top Canadian Stocks to Buy Instead of Meme Stocks

### Description

The influence of “memes” on the stock market has graduated from ironic and funny to tangible and, in some cases, downright frightening. Up until a few years ago, it would have been impossible to believe that a small number of retail investors from a relatively small internet community have the potential to influence the market to a significant extent.

But an 8,000% spike in a stock that was essentially “dead” before it became the target of retail investors on social media is difficult to ignore.

There is no denying that several meme stocks *have* explosive short-term potential and might have decent long-term potential, but more investors are likely to lose money on these stocks, because they don’t think and “invest” like *traders*. This is an important distinction many investors fail to make.

If you are more interested in the relative *surety* of investment growth rather than rolling the dice with meme stocks, it might be a good idea to stick with steady stocks.

### An industrial stock

While industrial automation is not a new concept, it’s going to evolve even more rapidly with the fourth industrial revolution. This makes companies that have already established a leadership position in this sphere of enticing investments. One example would be **ATS Automation Tooling Systems** (TSX:ATA). The company has been around since 1978 and has grown to impressive proportions. It has 28 manufacturing facilities and 50 offices in 20 countries.

The company has a wide variety of brands under its banner, and the bulk of its revenue (60%) is generated from automation and integration solutions. It has a diverse customer base and an adequately fragmented future focus.

The ATA stock has grown over 200% in the last five years, and its 25.3% five-year CAGR is more than enough to double your investment capital in less than half a decade (if it can sustain its growth phase).

## A utility stock

If you are looking for modest growth combined with [decent dividends](#), consider adding **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) to your portfolio. The company offers a five-year CAGR of 15.4%, which is lower compared to ATA's but significantly more sustainable. It also offers a decent 3.5% yield. In addition, the company is quite fairly priced right now, with a price-to-book ratio of 1.8 and a price-to-earnings ratio of 10.4.

Algonquin is not just financially stable as a utility stock; its revenues are growing at an incredible pace. The company has about three GWs of renewable-powered capacity (including operational and under construction). The stock is both safe and growth oriented, and it might have several good years ahead.

## A REIT

**Granite REIT** ([TSX:GRT.UN](#)) is one of the relatively few [growth stocks](#) in the REIT industry. It grew over 100% in the past five years and currently offers a modest 3.68% yield. The stock stayed stagnant for most of 2020 (after its initial recovery spell) and through the first two months of 2021, but it has taken off again since early March and has grown (relatively consistently) 12% in the last three months.

Granite's most attractive feature is that it has the perfect property portfolio for the e-commerce boom the world has been going through. Almost 90% of its properties are distribution centres (e-commerce) and warehouses. The portfolio is also geographically diversified, with one-third of its properties located in Europe.

## Foolish takeaway

Your chances of losing money with meme stocks are just as high (or potentially even higher) than making it big with these stocks. And that's with the added "stress" of actively managing your time-sensitive investments. Compared to that, the three stocks are almost buy-and-forget stocks, and you can keep them in your portfolio for years, even decades, to accumulate growth (and create cash value with dividends).

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:ATS (Ats)
4. TSX:GRT.UN (Granite Real Estate Investment Trust)

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