



1 of the Best Canadian Stocks for Beginners to Buy Right Now

Description

The **TSX Index** has been [on a tear](#) in the first half of the year, with the index now up over 15% year to date. Canadian investors waiting for that much-anticipated correction missed out on the run, and with inflation picking up, investors should look to put some money to work, rather than waiting around and running the risk of being stood up by a Mr. Market, who's likely to continue acting in an [unpredictable](#) fashion.

Waiting for the next correction *is* timing the market!

Every day that goes by is a day closer to the next market correction that too many investors are waiting for. However, the real question that investors ought to be asking themselves is whether a continuation of this market rally will dwarf the next pullback.

Given the ample cash on the sidelines right now, I'd argue that it could — especially when you factor in low (and now calm) rates, a transparent U.S. Federal Reserve who's being very upfront with investors, and the likelihood that we're entering the early innings of what could be a generational spending boom.

While you should always have dry powder to take advantage of corrections, I think investors, especially those in the millennial cohort, should be more mindful of potential upside risks (that's the risk of missing out on upside by sticking on the sidelines for too long), especially with rampant inflation that effectively raises the opportunity costs of holding excess cash in one's savings.

Indeed, it's tough to jump into the market waters after a glorious run. That said, there's still ample value to be had if you pick your spots carefully.

There's much value on this side of the border

Bank of America recently recommended its American investors check out Canadian stocks, which, they believe, holds greater value.

With commodities and financials firing on all cylinders, there's never been a time to invest domestically. And in this piece, we'll check out two Canadian stocks that still reek of value.

Consider **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)), a top Canadian stock that's been picking up meaningful traction in recent months. Despite the momentum, I still think there's incredible value to be had in the name, as it looks to benefit from the cyclical upswing that could really kick in during the "Roaring 2020s."

Give your portfolio an income jolt with Nutrien

Nutrien is a top fertilizer company that's enjoying a generational rally on the back of higher agricultural commodity prices and demand, which could pick up towards year-end. It's been a long time coming for Nutrien, which had been stuck in limbo for years amid weak potash prices. These days, almost everything is in short supply. With more than a 20% share in global potash production, Nutrien looks to be in great shape to benefit from recovering crop nutrient prices.

It's not just an intermediate-term recovery in agricultural commodity prices that has me pounding the table on Nutrien. The company finds itself on the right side of a long-lived secular trend. A growing population means more mouths to feed and, with that, the need for greater crop yields. Such a trend should keep potash and nitrogen prices fairly robust over the next decade and beyond.

Finally, the dividend yields a bountiful 3.1%, which is well covered by operating cash flows.

Bottom line on the top Canadian stock

Nutrien is finally waking up after years in hibernation. As a top agricultural commodity play, I'd much rather buy on strength. I believe it, like most other commodity producers, is far smarter to buy on strength rather than on weakness.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:NTR (Nutrien)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Yahoo CA

Category

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

Date

2025/07/28

Date Created

2021/06/24

Author

joefrenette

default watermark

default watermark