3 No-Brainer Canadian Stocks to Buy Immediately

Description

People don't like boring things, but boring isn't always bad. Take stocks as an example. Many boring blue-chip stocks that offer virtually no excitement and keep growing at a steady pace are also some of the most reliable long-term holdings. Exciting stocks with valuations going up and down like a roller coaster can be quite risky if you don't exit your position at the right time.

So, if you have some capital that you are looking to invest right now, you don't have to shy away from predictable, no-brainer stocks in favour of hidden gems. Some no-brainer stocks can make powerful additions to your investment portfolio.

An insurance company

Manulife (TSX:MFC)(NYSE:MFC), even though it doesn't offer any significant capital growth prospects, is a reliable Dividend Aristocrat that's currently offering a juicy 4.65% yield at a stable payout ratio of 41.95%. With a market capitalization of $48 billion, and $1.3 trillion in assets under management and administration, it is one of the largest insurance companies in the country.

2020 was rough for the company's business as well as the stock, which fell over 50% during the crash. The company did (almost) recover its pre-pandemic valuation in 2021, but it has come down 11.8% since. The drop has made the company more attractively valued *and* beefed up the yield, making it an enticing dividend stock.

A reliable growth stock

Constellation Software (TSX:CSU) has been one of the most consistent TSX growth stocks of the decade. It's predictable, reliable, and almost a no-brainer buy for growth investors. It's also aggressively overvalued, befitting its growth history and prospects. The $39 billion (market cap) company is also *expensive* since each share costs over $1,800.

But even with two or three Constellation units in your TFSA or RRSP, you might be able to see more growth than hundreds of units of a mediocre or risky growth stock might offer. It has a 10-year CAGR of 41.8%, which would have been considered unsustainable for another stock, but Constellation might be able to keep this growth momentum going for another decade or so.

Another growth stock

Another no-brainer TSX stock you might consider adding to your portfolio is **Canadian Pacific Railway** (TSX:CP)(NYSE:CP). This Calgary-based railway company has been transporting people and cargo for well over a century. Companies like Canadian Pacific are part of the fabric of the country and are rooted deep in the communities they serve.

Despite trucks providing more flexibility and regional penetration, cargo trains have managed to stay profitable thanks to lower costs and reliability. This reflects in both company's earnings and stock growth, although the two aren't exactly in sync in the case of this particular railway. The revenues fluctuate seasonally, whereas the stock has been a consistent grower since 2016 at least.

Foolish takeaway

The three reliable Canadian stocks help you with both dividends and growth. All three are aristocrats, and even though the yields CP and CSU offer is quite low, the actual payout is expected to increase for many years into the future.

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1. Dividend Stocks
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2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:CP (Canadian Pacific Railway)
4. TSX:CSU (Constellation Software Inc.)
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