5 Canadian Stocks to Buy on the Next Dip

Description

Over the last 15 months, stocks across the board have seen a rapid recovery. When the pandemic first hit, there was a tonne of fear caused by uncertainty. However, soon after, savvy investors were already taking advantage of the incredible discounts and finding the top Canadian stocks to buy on the dip.

These days, with markets near all-time highs, almost all of the highest-quality stocks to own are back trading at or near their fair value.

You can make some potential investments in stocks that are still recovering or seeing a boost from inflation.

For the most part, though, for the best Canadian stocks to buy, you'll probably have to wait to buy on the dip.

So, with that in mind, here are five of those top companies that I'd watch closely.

A top financial stock

One of the fastest-growing stocks in the last few years has been **goeasy** (TSX:GSY), a leading specialty finance stock. The company predominantly loans money to Canadians with below prime credit scores.

This is a business with significant risk, but because goeasy can charge a massive interest rate, it's a business with a tonne of potential.

The better goeasy does at screening clients and reducing loan chargeoffs, the more profit the company can make. And lately, the growth of its loan book and profit has been skyrocketing.

So, it's no wonder why goeasy has returned investors more than 870% over the last five years.

Today, it's trading right around its fair value. However, should we see a correction materialize soon, goeasy is one of the top Canadian stocks to consider buying on the dip.

The top Canadian growth stock to buy on the dip

Another high-quality stock to consider right away if you see a market pullback is **Shopify**.

Shopify is one of the best, if not *the* best, growth stocks in Canada. And because Shopify is such a high-quality company, it's one of the first Canadian stocks to buy on a dip.

Even if you already own it, I'd be looking at adding to the position, unless you need to diversify to other stocks.

Shopify still has years of rapid growth potential ahead of it.

A top Canadian utility stock to buy on the dip

Most stocks on this list are high-quality growth stocks with rapid growth potential. However, another Canadian stock to consider buying on the dip is the ultra-safe **Fortis** (TSX:FTS)(NYSE:FTS).

Fortis is one of the top utility stocks in Canada. And as most investors know by now, utility stocks are some of the safest and most defensive businesses you can own.

Often the market can correct, giving investors the chance to buy these high-quality Canadian stocks for cheap. However, sometimes when a market pullback materializes, it's ahead of a major economic issue such as a recession.

So, it never hurts, when stocks are trading mighty cheap, to add some safety and stability to your portfolio.

Fortis is a utility with operations in several jurisdictions. This severely reduces the little risk that utility companies have.

Furthermore, it's one of the oldest Dividend Aristocrats in Canada. So, if you see the market is starting to sell off, I'd look to buy this to Canadian stock on the dip and take advantage of its increasing dividend yield, as its share price is falling.

A top Canadian real estate stock

Another safer Canadian stock you'll want to buy on the next dip is **InterRent** — a residential real estate fund. Residential real estate is highly defensive, just like utilities.

However, InterRent is also one of the top growth stocks in the industry. Over the last decade, investors have earned a 999% return.

So, the next time the market starts to tank, I'd keep a close eye on this incredible REIT.

A top cryptocurrency stock

The last stock on the list is **Galaxy Digital,** one of the best cryptocurrency businesses in Canada.

Cryptocurrencies are well known to be volatile in the best of times. So, these assets could fall sharply in the next market pullback.

The industry still has a tonne of potential long-term, though. That's why I'd use this opportunity to take a position in Galaxy or average down your cost if you already own a long-term position.

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