2 No-Brainer Stocks to Buy if You Have $1,000

Description

The primary equities benchmark in Canada has been fluctuating lately but hasn't declined below 20,000 points since June 21, 2021. While the TSX remains resilient, the spikes and dips are inevitable. Investors react to factors such as oil price movements, domestic home sales data, and threats of higher inflation.

According to Tiff Macklem, the governor of the Bank of Canada, the feds will rein in inflation. However, they predict the inflation rate to run more than 3% in 2021 then taper off above 2% in the next two years. It should settle to its 2% target in 2024 when the economy fully recovers.

If you have $1,000 and an investment appetite today, play it smart. **North West Company** (TSX:NWC) and **Summit Industrial** (TSX:SMU.UN) are no-brainer buys. The respective businesses should fare better than others and remain stable for years. Keep reinvesting the dividends to compound your investment's value further.

Captured market

North West has long been a trusted retailer in northern Canada and western Canada as well as in rural Alaska, the Caribbean, and the South Pacific islands. The 353-year-old firm has a captured market in the underserved rural communities and urban neighborhood markets in the said regions.

The $1.72 billion customer-driven company offers just about everything customers in hard-to-reach areas need. It retails food, family apparel, and housewares to appliances and outdoor products. Allied services include post offices, commercial business sales, money transfers, and all-important income tax-return preparation.

Its Q1 2021 (quarter ended April 30, 2021) results reflect business resiliency and stability. Total sales dropped 7% during the quarter compared to Q1 2020, but net earnings climbed 228.77% to $40.29 million. In the same quarter, the company opened a convenience store and Motor Sports dealership in Rankin Inlet, Canada's second-largest settlement in Nunavut.

This consumer-defensive stock trades at $35.51 per share and pays a 4.08% dividend. Also, the payouts should be sustainable, given the 41.6% payout ratio. North West's total return over the last 20 years is 5,758.14% (22.55% CAGR).

Red-hot industrial REIT

Even before the global pandemic, industrial real estate investment trusts (REITs) were attractive investments already due to the e-commerce boom. COVID-19 only accelerates demand for warehouse spaces, distribution centres, storage facilities, manufacturing, and other similar uses.

On the TSX, Summit Industrial is the red-hot industrial REIT with its 38.35% year-to-date gain. At $18.53 per share, the dividend yield is a decent 2.91%. The yield is not the highest in the sector, although periodic payment is monthly, not quarterly. Also, the dividends of this $3.11 billion are equivalent to 27.86% of its earnings.

Summit Industrial displayed solid growth and strong operating performance anew in Q1 2021 (three months ended March 31, 2021). Investors were thrilled with the 13.3% and 14.2% increases in total revenue and net rental income versus Q1 2020. The occupancy rate was a high of 98.2%.

Another salient factor is the 5.5-year average lease term. Also, the lease contracts have built-in annual contractual rent steps — 1.6% on average. Expansion in the GTA area is ongoing, with four development sites in the pipeline. Summit Industrial is indeed one of the safer investments for risk-averse investors.

Realize the power of compounding

Don't miss out on excellent buying opportunities in Q3 2021. Your $1,000 would compound significantly over time if invested in reliable dividend stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NWC (The North West Company Inc.)
2. TSX:SMU.UN (Summit Industrial Income REIT)

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

Date
2025/08/24
Date Created
2021/07/19
Author
cliew

Footer Tagline

Footer Tagline