



Canadian Stocks: 2 Top Picks to Buy This Week

Description

When deciding on which Canadian stocks you want to buy for your portfolio, you first need to know what you want and need.

It's crucial to understand important factors, like what stage of investing you are in and whether you are young with a higher risk tolerance or maybe an older investor with more income requirements.

Then you have to consider your portfolio needs. For example, if you have several high-risk [growth stocks](#), it may make sense to add a defensive business or two and vice versa.

Making sure you are buying the right stocks to build a properly balanced portfolio is crucial. That way, you can ensure that your portfolio is properly diversified.

Once you know what kind of stock you're looking for, then you can decide which companies best fit the mould and which top Canadian stock looks most attractive to buy.

So, here are two to consider this week. One is a high-potential growth stock with little revenue but a tonne of growth potential. The other is an established business that earns consistent cash flow and pays an attractive dividend.

A top Canadian growth stock to buy for your portfolio

One of the best Canadian growth stocks for long-term investors to buy today is **Xebec Adsorption** ([TSX:XBC](#)). Xebec is an exciting cleantech stock with a massive runway for growth, as the world grapples with climate change.

The company designs, manufactures, and builds equipment that it sells to industrial businesses and utilities to trap naturally occurring gasses and transform them into renewable natural gas or hydrogen.

It's a business that's still early, which is why the company doesn't have much in sales right now. However, Xebec is slowly building an attractive business model aimed at earning a tonne of recurring

revenue.

And over the next few years, I expect its sales to start rising rapidly, as [ESG investing](#) continues to become more important.

Today, with the stock trading at a [market cap](#) of just over \$600 million, it has a price to sales of roughly 9.5 times. That would be expensive for some stocks, but for a high-potential growth stock like Xebec, it's a significant opportunity.

So, if you're looking for top Canadian stocks to buy today, I highly recommend you check out Xebec Adsorption.

A top dividend stock for passive-income seekers

In addition to Xebec, another high-quality Canadian stock to buy today is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)).

Enbridge is quite the opposite of Xebec. The company is worth roughly \$100 billion and has an established business. Its massive operations, which span North America, earn the company billions of dollars in cash flow every quarter.

The company owns tonnes of pipeline assets, a massive gas utility business, and a growing portfolio of renewable energy assets. It's a critical business to the North American economy, which is one of the reasons it's a top Canadian stock to buy.

There will still be growth potential with Enbridge, but not the same as Xebec. Xebec's business has the potential to grow rapidly, but it's a lot riskier of an investment.

However, while Enbridge can't grow nearly as quickly as Xebec, it's extremely safe and pays an attractive dividend that currently yields roughly 6.9%. Not to mention, the dividend has [been increased](#) annually for more than a quarter-century.

So, if you're looking for a highly stable Canadian dividend stock to buy, Enbridge is one of the best in the country.

Bottom line

While some investors may choose to consider only one of these, for most, each of these stocks can play an important role in your portfolio. The key is finding the right balance that works for you, and, of course, always making sure you're buying the highest-quality Canadian stocks.

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2. TSX:ENB (Enbridge Inc.)
3. TSX:XBC (Xebec Adsorption Inc.)

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