



The 3 Best Canadian Stocks I'd Buy With \$500 Right Now

Description

It has been an up and down month for Canadian stocks. As July finishes and we head into August, there are still a few opportunities for investors to grab some bargains. Frankly, it is hard to figure where the stock market will head in the fall. Stock market commentators worry about inflation, but then some worry about deflation. Some are worried about the rising COVID-19 Delta variant, while others worry about global geopolitical fears.

Thinking long term gives investors less reason to worry

In reality, there is always something to worry about when investing. Successful investors are successful because they can filter out the noise and stick with their convictions. They just invest in great businesses and hold them for as long it possibly makes sense. If you can buy these great businesses on dips or at [a cheap valuation](#), that's great. However, the real key is to be a true investor and think long-term.

The other key is to simply start investing. Even with a small amount of capital, you can build a solid, diversified portfolio over time. Here are three great Canadian stocks I'd consider before August.

A top Canadian dividend stock

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is one of Canada's largest banks and the fifth largest in North America. While it has substantial retail operations in Canada, it is also has a very strong presence on the eastern U.S. coast.

If you want just a solid Canadian stock to tuck away and hold for income and modest capital gains, TD is a great portfolio staple. Recently, its stock pulled back modestly. I believe this could present an attractive entry point. Today, it pays a decent 3.85% dividend.

Given its large retail business, TD should benefit from general economic strength and the potential for higher interest rates. Similarly, if there is no major COVID-19 resurgence in the fall, regulators may

release Canadian banks to deploy pent-up capital.

Consequently, a decent dividend hike, share buybacks, and perhaps even an acquisition or two could be in order over the next year. All-in, this Canadian stock looks fairly attractive today.

A top Canadian value stock

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) has significantly underperformed in 2021. While it just came out with some pretty [strong results last week](#), investors drilled the company over its pricey acquisition of **Kansas City Southern Railway**. Certainly, due to regulatory issues, it is pretty speculative whether the deal will go through. However, you can't blame the management team for trying.

It would give CN the only Canada-America-Mexico-wide railroad network. That would create significant options for shippers across North America and could fuel some pretty solid growth. Regardless of this deal, CN still has a great network, a strong balance sheet, and room for operational improvements. CN is a great stock to buy, hold, and own forever.

A top growth stock

Telus International ([TSX:TIXT](#))([NYSE:TIXT](#)) was one of Canada's largest tech initial public offerings (IPOs) ever. Since its IPO, this Canadian stock has failed to surpass the highs it set on its opening day. Frankly, I think this is just a case of the market waiting to see what TIXT can do outside of its parent company, **Telus**.

Yet, if you want a Canadian [growth stock](#) exposed to all the exciting technology catchphrases (like artificial intelligence, the internet-of-things, computer vision, data analysis, and the Cloud transition), this is one to own.

This business is growing by nearly 40% a year, but doing so very profitably. That is a rare combination in the market today. Consequently, this is a great stock to buy while it is still relatively unknown.

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