



3 Canadian Stocks to Buy and Achieve Financial Freedom

Description

It's the dream we all work for. Motley Fool investors want financial freedom. I mean, even if you're not investing yet it's what you dream about! Never mind stressing about paying bills, travelling, or your child's tuition. You've made it. But if you're not investing, it's going to be hard to achieve that reality. That's why today I'll be looking at three Canadian stocks to buy if you're seriously considering the goal of financial freedom.

While some argue that you need to make a major investment, such as buying an [income property](#), we don't all have that kind of income. Instead, start small and work your way up. The first step is to create a budget and see how much cash you can invest each month. Then create automatic payments each and every month into a Tax-Free Savings Account (TFSA).

I recommend the TFSA because that way if an emergency happens, you can take out the cash. You can use it for everything without worrying about tax implications. And you can continue adding to it each month, reinvesting in your top Canadian stocks to buy. And dividend income means you'll also be adding even more cash without exceeding the contribution limit.

So here are three Canadian stocks to buy now to help Motley Fool investors achieve this goal.

CIBC

The Big Six Banks [proved their worth](#) during the market crash. Each prepared for a market crash and came out strong. It's even allowed analysts to increase their expected share price for the next year. That goes for the **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) as well. This Big Six Bank continues to outperform its peers, and with third-quarter results due August 26, now is a great time to consider the stock.

CIBC stock is up 55% as of writing in the last year. Yet analysts believe there is even more growth ahead. And even with all that growth, the stock is still cheap with a price-to-earnings (P/E) ratio of 12.49 as of writing! But one of the easiest ways to achieve that financial freedom is from the company's dividend yield of 3.97%, the highest of the Big Six banks per share at \$5.84. That's the easiest reason

to make this one of the Canadian stocks to buy.

Enbridge

Commodity prices continue to climb, and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) along with other pipeline companies have been seeing an increase in demand. Enbridge stock continues to climb in share price as demand increases as well. Even with a move towards clean energy, Enbridge stock will continue to be in demand for decades. And that's supported by its long-term contracts, along with growth projects to bring in decades of cash flow.

Yet again, even with share growth of 20% in the last year, Enbridge stock is cheap. The company currently has a P/E ratio of 16.5, and a potential upside of 8% for the rest of the year. It also has a sky-high dividend yield of 7.76%, which has grown at a compound annual growth rate (CAGR) of 14.32% over the last decade. So this is another of the Canadian stocks to buy that will help you increase your ultimate goal.

Brookfield Renewable

Finally, if you're looking to switch to clean energy, what better way than to support its growth? But it can be unclear where the world will lean in the future. That's why **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is such a good choice. You get access to a diverse range of clean energy assets, as the company continues to acquire even more.

Shares of the company are way down after climbing to [all-time highs](#) this year. However, long-term this stock is up about 600% over the last decade, and still up 23% in the last year. Analysts believe it will likely grow by another 10% this year, but it's likely to climb to all-time highs quite soon. The world is set to invest about \$10 trillion in the next decade into clean energy.

Brookfield will thus see a lot of investment through that. Meanwhile, you can pick up a solid dividend yield of 3.1% while Motley Fool investors wait for a rebound. That alone makes it one of the most solid long-term Canadian stocks to buy.

CATEGORY

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:CM (Canadian Imperial Bank of Commerce)
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