



2 Top Canadian Stocks to Buy Ahead of the 4th Wave

Description

While we've made incredible progress with vaccinations, case counts are once again on the rise. We already got warnings from many health experts over the last few weeks about a potential fourth wave, and it looks to be rapidly approaching. So if you're concerned about the fourth wave and its impact on your portfolio, the top Canadian stocks to buy are highly resilient businesses.

We have already been through numerous shutdowns now. So while a massive selloff likely won't materialize, you also don't want to own businesses that continue to be severely impacted by the pandemic.

For now, the majority of your portfolio should be in high-quality business with resilient and defensive operations.

These are highly robust companies and can continue to operate regardless of how devastating the fourth wave is.

Some of the best companies, for example, are those that are crucial to our economy. These stocks are ideal companies to own long-term, and most will pay attractive dividends.

They will also tend to be less volatile than the rest of the market, making them ideal stocks to hold if there is a selloff in the stock market.

So with that in mind, here are two of the safest Canadian stocks to buy ahead of the fourth wave.

A top Canadian energy infrastructure stock to buy

I mentioned before that companies crucial to our economy often make some of the best long-term investments. That's why a stock like **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a great company to buy if you're worried about the fourth wave.

Enbridge is one of the top Canadian stocks to buy because it's a massive business with a [market cap](#)

of roughly \$100 billion. It's an incredibly diversified business in an industry with huge barriers to entry, making it a great company to own long-term.

Energy is needed for everything, and Enbridge is one of the biggest and most crucial companies delivering that energy. In fact, up to a quarter of all the crude oil in North America is transported by Enbridge.

Plus, 20% of the gas consumed in the United States is transported by Enbridge. It even has the 12th-largest renewable energy portfolio in North America, which is consistently growing.

And not only will Enbridge and its robust operations protect your capital, but because it's always earning tonnes of cash flow, it pays a hefty dividend as well. Currently, the top Canadian stock yields roughly 6.7%, making it one of the best to buy now.

So if you're looking to make an investment in a high-quality business you can trust, Enbridge is one of the best companies in Canada.

A high-quality consumer staple stock

Another high-quality stock you can buy today is **North West Company** ([TSX:NWC](#)). The consumer staple industry is one of the most defensive there is, and North West is easily the top Canadian stock to buy in the industry.

[Consumer staples](#) are ideal businesses because the majority of the items they sell are products consumers need, such as food and other essential household items. So not only do these stores remain open during shutdowns, but their sales stay robust through all market cycles, including recessions.

The reason North West is one of the top Canadian stocks to buy now is that it's outpaced its consumer staple peers in the last 18 months and still has the best operations and potential for growth going forward.

Because North West operates in remote regions, mostly in Northern Canada and Alaska, the stores have little competition. In addition, North West has also vertically integrated its business well over the last few years, meaning it can control its costs a lot better.

This improvement in controlling costs is already leading to improving margins. And the company has even recently been selling off non-core assets.

So I would expect North West to continue to get leaner and continue to improve its margins growing profitability for investors.

Therefore, not only can it protect your money, but it also offers significant growth potential too. Plus, it pays a dividend that yields 4% today. So if you're looking for a top Canadian stock to buy now, North West is a great choice.

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