Got $5,000? 2 Hot Canadian Stocks You Can Buy Now

Description

Investing in high-quality companies and remaining invested in them for the long run is ideal for stock market investors to become successful. However, each investor might have a different definition of what they consider a good business. Some investors consider growth-oriented businesses that invest their earnings heavily in expansion, while others might look for companies that boast strong financials and stellar earnings.

If you have $5,000 to invest and want to gain exposure to Canadian growth stocks that boast strong financials and earnings, I will discuss two hot Canadian stocks that could be ideal for you to have on your radar right now.

Canadian Tire

Canadian Tire (TSX:CTC.A) has traditionally never been a growth stock, but the company has shown uncharacteristic growth since the onset of COVID-19 and the panic-fueled market crash in 2020. At writing, the stock is trading for $190.78 per share, up by 134.75% from its March 2020 bottom. Before the pandemic struck, the stock had remained relatively stable around the $150-$170 range for a long time.

Next year will see the company become 100 years old. Operating over 1,700 locations throughout Canada, Canadian Tire's core business includes fuel stations, retail stores, and other businesses under popular banners. The company managed to leverage the changing landscape amid the pandemic by bolstering its online retail operations to generate significant revenues.

At its current price, the stock boasts a modest 2.46% dividend yield. The stock might not offer much in returns through dividends. However, combined with strong revenue growth, it can offer you significant returns on your investment through capital gains.

Intact Financial

Intact Financial (TSX:IFC) is a massive insurance company with a market capitalization of $30.68 billion. Companies like Intact Financial are considered for the stable revenues that they can provide to their shareholders through reliable dividend payouts. Intact Financial is a Canadian Dividend Aristocrat with a 16-year dividend-growth streak. While that alone should make it an attractive stock to consider, the company also boasts strong growth.

The company's 10-year CAGR stands at 15%, making the stock an attractive buy at its current valuation. The company's robust financials kept it afloat during the pandemic, as its revenues barely slipped. Trading for $174.23 per share at writing, the stock could be an ideal addition to your investment portfolio for excellent long-term returns.

Foolish takeaway

Financial strength is a critical quality that any business should have so that it can be considered a good company. A company without financial strength can become overvalued if its share prices keep going up without the revenue growth to show for it. If such a company also pays dividends to its shareholders, the business might be unable to sustain its payouts.

Canadian Tire and Intact Financial are two businesses that boast stellar financials that the respective businesses can use to fuel further growth that can provide you with stellar long-term returns. If you have the capital to invest right now, and you're looking for excellent growth stocks that you could invest in, Canadian Tire stock and Intact Financial stock could be ideal assets to consider.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)
2. TSX:IFC (Intact Financial Corporation)

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Date
2025/08/16
Date Created
2021/08/30
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