



Can the Stock Market Keep Up This Record-Setting Pace in September?

Description

For over a year now, the **TSX Composite Index** has continued to recover from the pandemic, and since February of this year, it's consistently been setting new all-time highs. But with the fourth wave of the pandemic setting in, you may be wondering whether the stock market can continue to keep up this record-setting pace in September.

First off, it would be impossible to predict for any investor. However, having said that, a market selloff caused solely by the pandemic looks highly unlikely.

The market already set numerous all-time highs through the third wave earlier this year, and a new wave of cases doesn't necessarily spook investors anymore.

However, just because the pandemic doesn't cause a [stock market pullback](#) doesn't mean that a correction can't materialize.

Any black swan event could cause the stock market to sell off in September, especially with many stocks looking overbought. But since these are essentially impossible to predict, it's not worth it for investors to focus on.

Why you shouldn't worry about a stock market pullback in September

What's most important for investors to stay focused on is the long run and understanding what your portfolio needs.

Because the stock market continues to set new all-time highs as we approach September, most stocks are going to be quite expensive. So you have to be quite selective when it comes to adding businesses to your portfolio.

It's therefore helpful if you know which sectors you are looking to buy in if you need to diversify your portfolio.

You could be looking for any number of stocks. Maybe you need to add defensive businesses to help stabilize your portfolio. Perhaps you want to add value stocks or buy more dividend stocks to build up your [passive income](#).

This is the much more important thing to focus on because the market will always be growing long-term.

So as long as you are focused on maximizing your portfolio, you don't need to worry about what the market will do tomorrow. Rather than worrying about how the market will perform in the short run, it's much more important to consider how you want to grow your portfolio over the long run.

And growing your portfolio, in the long run starts with adding the best stocks at the most opportune time. So here is a top Canadian stock that many investors may want to consider today.

A top Canadian stock to buy now

Heading into September, the stock market looks like it may be overbought, and tonnes of high-quality stocks are trading within 5% of their 52-week highs. So you may want to consider adding a [dividend growth stock](#), especially if you can get it at a discount.

One of the top recommendations I would make for investors today is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). While Enbridge isn't wildly undervalued, it does have more upside than many other high-quality stocks do today.

However, because it's a high-quality dividend growth stock, any short-term capital gains potential would just be a bonus. The main reason to buy Enbridge today is its current dividend yield of 6.75% and the fact that it's consistently increasing that payout to investors.

The best stocks to buy during stock market pullbacks are those with tonnes of upside and capital gains potential, but that's not the situation we are in heading into in September.

With markets at all-time highs, it's much more important to add quality businesses, and ones you can count on for years.

So if you're looking to add a stock this month, a dividend growth stock may be one of the best businesses to add to your portfolio. And of all the high-quality dividend growth stocks in Canada, Enbridge offers some of the best value.

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