



The 3 Best Investments in Canada

Description

Many investors think only the United States has attractive investment options. But Canada is also a lucrative investment land if you know where to invest.

Best investments in Canada

Canada's three strengths are

- Its oil field, which is the third largest in the world;
- Its [real estate](#), where the house prices are in a long-term uptrend; and
- Its cryptocurrency, as the cold weather makes Canada conducive for crypto mining, because mining farms produce a lot of heat.

Canadian energy sector

Energy is the fourth-largest sector, [accounting](#) for 12% of the TSX Composite Index. Canada has the third-largest oil reserve in the world, which makes it self-sufficient in terms of oil. Many Canadian firms export their oil to the United States. The trick to trade and make money in oil stocks is to understand the cyclical; buy at the start of the upturn and sell at the start of the downturn.

Oil is a commodity that derives its price from global demand and supply. Oil producers benefit when the oil price is high, as they get a better price for their inventory. Currently, oil stocks are facing downward pressure due to tepid recovery in travel demand because of the Delta variant. At the same time, some Organization of the Petroleum Exporting Countries (OPEC) have increased oil production.

However, there is pent-up oil demand, and that could push oil prices. **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is the largest integrated oil company, and **Enbridge** is the largest oil and gas pipeline operator in Canada. They are the key beneficiaries of Canada's oil treasure and make good investments.

Suncor stock has dipped 26% from mid-June because of the downward pressure on the oil price. But when the stock was in the recovery phase (November 2020 to June 15, 2021), it more than doubled. I

expect it to recover to its June high of \$30 — a 30% upside.

Moreover, Suncor management has been vocal about their intention to increase dividends at a 25% compounded annual growth rate (CAGR) by 2025 after slashing it by 55% in May 2020. If you want a less-risky option, you can invest in Enbridge and lock in a 6.5% dividend yield.

Canada real estate

Canada saw a significant surge in housing prices, especially in prime areas. Ontario's average annual rate of price growth was in the 30% range in July. Real estate is lucrative, as Canada welcomes immigrants and foreign students who rent out apartments. This makes real estate investment lucrative in Canada. A good way to get exposure to the rising rent and property prices is to invest in [REITs](#). They develop properties and use them to sell or rent.

A stable REIT, which has built a large property base and accumulated adequate capital for future projects, shares a portion of its rental income with shareholders as dividends. **SmartCentres REIT** ([TSX:SRU.UN](#)) has achieved this level. It has been paying regular monthly dividends even before 2009. It gives a 6% dividend yield. SmartCentres's forte is retail, but it is diversifying into mixed-used properties.

Crypto stocks

Did you know Toronto Stock Exchange allowed trading of the first North American Bitcoin ETF? Crypto is largely associated with China, as most of the cryptocurrencies are mined there. But Canada also has a good share of crypto mining companies and crypto ETFs. The cryptocurrency has moved beyond a bubble and is gradually being accepted by many billionaires as the future global currency.

Even regulators who despise cryptocurrency for its use in illegal activities are devising an ecosystem where crypto can thrive alongside government currency. It will take time, but crypto could revolutionize transactions.

Hive and **BitFarms** (TSXV:BITF) are crypto mining companies. BitFarms operates five crypto mining facilities in Canada and is expanding them to mine more BTCs. As BTC price surges, Bitfarm's inventory value surges. It sells this inventory to expand its operations and report a profit.

Buying a BTC is risky, and if you are not quite tech savvy, you could become a target of crypto scams. Bitfarms will give you exposure to BTC price fluctuations under the security of stock trading.

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TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)
3. TSX:SU (Suncor Energy Inc.)

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