
3 Canadian Stocks I'd Buy on the Dip

**Description**

Looking to buy quality stocks on the dip? If so, this week is your opportunity.

The imminent implosion of **China Evergrande** has global stocks reeling, with prices falling in most industries and countries. The Evergrande situation certainly has implications for global financial markets. Many Western banks hold Evergrande bonds, and they could take losses on them.



However, Canadian financial institutions are pretty insulated from the contagion. **Royal Bank of Canada** holds some Evergrande bonds, but none of the other Big Six banks do. So, the TSX is collapsing while not actually being that exposed to the biggest macro risk factor out there right now. This certainly *looks* like a buying opportunity. And, in fact, there are plenty of Canadian stocks that I, personally, would buy at today's prices. The following are three of the main ones I'm keeping an eye on.

## Shopify

**Shopify** (TSX:SHOP)(NYSE:SHOP) is one TSX tech stock that I would buy if the price were to come down significantly. The stock has incredible sales growth (57% for the most recent quarter, 86% for full year 2020) but is just a little pricey right now. At today's prices, Shopify trades at 213 times adjusted earnings, 47 times sales, and 18 times book value. Enough growth can justify any multiple, but Shopify is so expensive right now that it's difficult to believe. So, this is one stock I'd seriously consider buying if the current dip were to continue.

## Suncor Energy

**Suncor Energy** (TSX:SU)(NYSE:SU) is a stock I would buy at today's prices. Like most stocks, it fell in yesterday's crash. Yet the company's fundamentals are likely improving this quarter. The price of oil is on the rise presently. As of this writing, WTI crude traded for about $70.55 in the futures market. That's more than high enough for Suncor to turn a profit on. This is a fact borne out in the company's most recent results. In the second quarter, Suncor delivered $2.3 billion in funds from operations (up from $488 million), $722 million in operating income (up from $-1.3 billion), and $868 million in net income (up from a $614 million loss). Those are solid results, and they should continue as long as the price of oil stays high.

## Toronto-Dominion Bank

**Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is one stock that I already own but would buy more of in the present dip. TD Bank's most recent earnings were good, with high percentage increases in net income and EPS, yet the stock has been tanking lately. This certainly seems like a good time to buy the stock. Certainly, not *everything* is rosy with TD Bank. Its earnings contribution from **Charles Schwab** in the most recent quarter was lower than brokerage earnings in the prior year quarter, and sequential growth isn't very high. But overall, it's a very stable and dependable dividend stock that I'm comfortable holding long term.

**CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Tech Stocks

**TICKERS GLOBAL**

1. NYSE:SHOP (Shopify Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:SHOP (Shopify Inc.)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TD (The Toronto-Dominion Bank)



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