3 TSX Stocks to Buy After Trudeau's Election Win

Description

Canadians took to the polls on September 20 to close out a fiery election campaign. In the end, the election wrapped up like a good compromise; no one was happy. Justin Trudeau's Liberals won enough seats for a minority government. However, for the second straight year, the Liberals lost the popular vote to the Conservatives. If current results hold, the Conservatives will have lost two seats. Meanwhile, the New Democratic Party (NDP) only managed to pick up a single seat. Today, I want to look at three TSX stocks that are worth your trust after Trudeau's big election win.

Why I'm betting on housing after the Liberal election win

In late August, I'd discussed whether the political environment stood to threaten Canada's housing market. The Liberal plan aims to cut Canada Mortgage and Housing Corp's (CMHC) rates for insured mortgages up to $6,100. In theory, this will open the market up to more prospective buyers. One of the more interesting proposals involved banning blind bidding for Canadian homes. It remains to be seen whether the party will seek to follow through on this promise.

Home Capital Group (TSX:HCG) is one of the top alternative lenders in Canada. The Canadian housing market looks to be in strong shape following this election win. If anything, the Liberal plan will lead to increased activity. Shares of this TSX stock have climbed 19% in 2021 as of close on September 21. However, the stock has dropped 7.5% month over month. Now is a good time to consider buying the dip.

This TSX stock possesses a very attractive price-to-earnings (P/E) ratio of 7.6.

This TSX stock is a solid hold as inflation ramps up

Last week, I'd discussed the recent Statistics Canada report that revealed inflation rose 4.1% in the month of August. This was the fastest rate of inflation since 2003. Trudeau's Liberals let loose with a radical spending plan to combat the knock-on effects of the pandemic since the spring of 2020. It will be a tough balancing act to tackle rising inflation while maintaining loose monetary policy and increasingly aggressive social spending.

Dollarama (TSX:DOL) is a TSX stock worth snatching up as inflation runs wild. The company unveiled its second-quarter fiscal 2022 results on September 9. Sales rose 1.6% from the prior year to $1.02 billion. Meanwhile, EBITDA jumped 5.7% to $293 million. It achieved these solid sales numbers while hindered, as the retailer was unable to offer non-essential items in the early part of the quarter.

Shares of this TSX stock last had a solid P/E ratio of 29. It also offers a modest quarterly dividend of $0.05 per share.

One more TSX stock I'd snag after Trudeau's win

Investors should not sleep on gold stocks, as the market has shown signs of increased volatility to close out the summer. **Barrick Gold** (TSX:ABX)(NYSE:GOLD) is one of the largest gold producers on the planet. Shares of this TSX stock have dropped 24% in the year-to-date period. The stock is down 37% from the same time in 2020.

Gold has faltered since rising to a record price in the middle of 2020. However, I'm still bullish on the yellow metal in this climate. Shares of this TSX stock have a favourable P/E ratio of 13. This is a risky play, but one I like after the recent election.

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