



## Got \$1,000? 3 Top Canadian Stocks to Buy in October

### Description

The Canadian equity markets were highly volatile this month, with the benchmark index, the **S&P/TSX Composite Index**, falling over 2%. The concerns over rising inflation and bond yields appear to have made investors jittery, dragging the index down. Despite the rising volatility, here are three top Canadian stocks that you can buy in October to earn superior returns.

### Suncor Energy

Amid supply concerns, as OPEC+ countries are struggling to meet their new output quota, and with lower production in the United States due to the disruptions caused by hurricanes, oil prices have moved up. Brent oil touched a three-year high of US\$80.74 per barrel on Tuesday. Meanwhile, many analysts are expecting oil prices to rise further, [with Goldman Sachs raising its year-end forecast to US\\$90 per barrel](#). Higher oil prices could benefit oil-producing companies, such as **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), which operates a highly integrated energy business.

Amid strong buying, Suncor Energy's stock price has increased by over 23% this year. But it is still 39% lower than its pre-pandemic levels, providing an excellent buying opportunity. Its valuation also looks attractive, with its forward price-to-earnings multiple standing at 7.9.

Suncor Energy's outlook looks healthy. Along with higher oil prices, increased production, higher refinery utilization rate, and cost-cutting initiatives could boost its financials in the coming quarters. It also pays a quarterly dividend, with its forward yield standing at 3.17%. So, [Suncor Energy would be an excellent buy right now](#).

### goeasy

Second on my list is **goeasy** ([TSX:GSY](#)), which offers leasing and lending services to sub-prime customers across Canada. It has returned an impressive return of around 110% for this year. The credit growth amid the reopening of the economy, strong performance in the first three quarters, and strategic acquisition of LendCare appear to have driven its stock price. Despite the steep rise in the

company's stock price, the company's forward price-to-earnings multiple stands at an attractive 17.4.

Meanwhile, the uptrend in goeasy's stock price could continue amid strengthening its digital channels, venturing into new markets, and expanding product offerings to drive growth. The acquisition of LendCare has expanded its product offerings, added new business verticals, and improved its risk profile. The company also rewards its shareholders by raising its dividends at a healthier rate. Since 2014, it has increased its dividends at a CAGR of 34%. So, I am bullish on goeasy.

## Enbridge

My final pick is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), a Dividend Aristocrat. It has hiked its dividends for the last 26 years at a CAGR of over 10%. Its forward yield currently stands at an attractive 6.59%. It operates more than 40 diverse assets, with around 98% of its adjusted EBITDA generated from regulated assets or long-term contracts, thus delivering stable cash flows. These steady cash flows have allowed the company to raise its dividends consistently.

Meanwhile, the rising energy demand could improve the throughput of Enbridge's liquids pipeline segment, thus boosting its financials in the coming quarters. Further, the company is expanding its transmission and distribution business and increasing its power production capacity. So, it has planned to invest around \$17 billion over the next three years. These investments and favourable market conditions could boost its financials in the coming years, thus allowing it to continue its dividend growth.

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1. Bank Stocks
2. Energy Stocks
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1. Editor's Choice

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:GSY (goeasy Ltd.)
5. TSX:SU (Suncor Energy Inc.)

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