2 Top Canadian Stocks to Buy in October 2021

Description

It's about time that the markets have had some volatility, and going into October 2021, stock pickers can take advantage of the newfound choppiness. Indeed, there are many great opportunities underneath the hood of the broader TSX Index. But to take advantage of them, you may wish to be a buyer while there's fear in the Street.

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Indeed, a 4-5% pullback is not much. In the grander scheme of things, it's just a blip. Still, as the 5% correction evolves into an official 10% correction, you'll want to have a buying schedule setup so you don't miss the bottom, whenever it may be. You see, it's much easier, especially for beginner investors, to average a bottom by buying gradually on the way down during a selloff, rather than trying to do all buying at some point in time. Odds are, that point won't be the bottom, or anywhere close to it!

Without further ado, consider these two top Canadian stocks for October 2021:

Canadian Tire

Canadian Tire (TSX:CTC.A) is the retailer that needs no introduction. The firm has been doubted for so long, despite proving that it's not about to succumb to continued e-commerce pressures. The pandemic gave e-commerce a massive boost. If Canadian Tire can survive that, it can probably live through anything this market throws at it. For that reason, the stock deserves a richer multiple for its resilience and its incredibly healthy balance sheet.

If you, like many, believe the future of retail lies in the omnichannel, Canadian Tire is a great bet. It's improved its e-commerce platform considerably in recent years. And the results really speak for themselves. As COVID goes away, look for the Canadian retailer to flex its muscles digitally and physically. With a robust loyalty program in Triangle and some of the most enticing exclusive brands in the country, Canadian Tire is ready to take its growth to the next level. The $11 billion company boasts a 2.7% yield, which could shrink to below 2% once the tides finally turn in its favour, possibly in the post-COVID environment.

Ensign Energy Services

For those seeker deeper value, it's tough to pass up on **Ensign Energy Services** (TSX:ESI), which represents bottom-of-the-barrel value. Indeed, few Canadians have ever heard of the driller, and for good reason. It's a small cap with a mere $300 million market cap. It's also in one of the least attractive industries to be in over these past few years. The oilfield isn't precisely where new and young investors look to when they look to deploy new money into investments.

At just shy of $2 per share, Ensign makes for one of the most attractive small caps on the entire TSX. The firm's drilling services aren't necessarily "moaty" or incredible. However, the valuation on shares, I believe, is, even after a posting an incredible 250% rally over the past year. In a prior piece, I'd pounded the table on ESI stock back in May 2020, citing the name as a way to easily beat the market.

Over a year later, shares are up nearly 160%. That's not a bad return. I think the stock is still cheap and would encourage venturesome investors to consider the name, as it could still have more upside with shares trading at 0.2 times book value. The stock went from embarrassingly cheap to still really cheap.

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joefrenette

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