



The 2 Best Canadian Stocks to Buy in October 2021

Description

The **TSX** today is a scary place, especially given where it was last month. After climbing 70% between March 2020 and September 1, 2021, shares are now down about 30% as of writing in just a month. That [pullback](#) may be frightening in the short term, with inflation and real estate causing major problems. But long-term, it offers some striking deals among the best Canadian stocks to buy.

Some of the best Canadian stocks out there remain relatively volatile if you're looking at it as a short-term buy. But here at the Motley Fool, we recommend long-term holds. With that in mind, today I'm going to cover some companies that I feel like investors have forgotten are strongholds. Especially as vaccination rates climb higher in Canada.

Finding the diamonds

What Motley Fool investors need to look for are the best Canadian stocks to buy that offer long-term superiority in the market. Yes, there are some popular stocks out there offering the potential for huge returns in 2021. However, I don't like covering those.

Why? Because while there's potential for growth, there's even more potential for risk. Take a look at **Lightspeed** stock for example. Lightspeed stock soared in 2021, yet is down 28% since the Spruce Point [accusations](#). Now, Motley Fool investors are terrified of the stock, and with good reason. Yet a month before, they were buying it up in bulk hoping it was the next big thing!

Rather than find that next big thing like Lightspeed stock, look for the best Canadian stocks you'll be happy to have a decade or more from now. In fact, let me start you off with some options.

Air Canada: Short-term risk, long-term reward

Yes, **Air Canada** ([TSX:AC](#)) isn't without risk. In fact, one analyst recently downgraded the company from \$28 to \$25 due to one reason. The same reason it's been downgraded again and again: COVID-19.

The variants in particular are a major threat to revenue. Yet Air Canada stock continues to do an impressive job, according to the analyst. And that's what makes it one of the best Canadian stocks right now. Not only is it managing to get through the pandemic, but it will likely emerge better than its competitors.

Air Canada stock remains risky while variants continue to rage. However, if you're able to hold this stock for decades, I'd recommend it. Air travel demand continues to increase, though it's still down 56% from August 2021 compared to August 2019.

However, there continues to be demand for air travel that we're likely to see in September, October, and over the holidays. With vaccination rates climbing, Air Canada stock could improve and become one of the best Canadian stocks to buy before the month is out. Shares are stagnant since the beginning of the year but are down 4% in this month's pullback on the TSX today.

Agnico: Beat inflation

If you're looking to fight inflation, invest in gold. If you're looking for growth on the **TSX** today, invest in **Agnico Eagle Mines** ([TSX:AEM](#))([NYSE:AEM](#)). Agnico recently bought **Kirkland Lake** (TSX:KL)(NYSE:KL) in a massive deal that will render it one of the top gold producers in the world. It's the latest in a string of mergers since 2018. And it's one that analysts recommend as one of the best Canadian stocks around.

There are "clear benefits" from the deal, according to analysts. Some of these benefits include [improvement](#) in the quality of assets, a better balance sheet, and several short-term projects that could prove incredibly beneficial.

Analysts now believe that Agnico will "outperform" rather than "sector perform" due to the deal, yet shares continue to trade down on the TSX today due to the debt load. But again, analysts believe the integration risks are low. Today, there is an average upside of 63%, with some believing it could more than double. That makes it one of the best Canadian stocks money can buy.

CATEGORY

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