



3 of the Best Canadian Stocks to Buy Right Now

Description

The **S&P/TSX Composite Index** enjoyed some recovery Tuesday after dropping about 800 points between mid-September and early October. Yet half of that was gained back Tuesday with Motley Fool investors eyeing the rise in inflation and earnings season coming upon them.

Yet analysts are still concerned. The rise of inflation and prices in general due to supply chain demands means the next quarter may not be so great. That may mean these gains don't last very long. And if that's the case, some of the best Canadian stocks out there aren't soaring right now, but they're rising steadily. So let's look at three of the best Canadian stocks I would buy amidst this volatile market.

Buy the dip

Analysts believe Motley Fool investors have a great [opportunity](#) with **Dye & Durham** ([TSX:DND](#)) right now. After securing a new loan agreement, management believes it's one of the best Canadian stocks to buy with a healthy merger and acquisition pipeline ahead.

DND stock has a solid future ahead thanks to its secure cash flow from legal software, with a "clearer path toward \$500-million in EBITDA." With about \$1.56 billion in liquidity, analysts believe there is a solid future of aggressive acquisitions for the company, and believe it should outperform the sector.

Shares are up 67% in the last year, but down 17% in the last month. It now boasts a 3.5 price-to-book (P/B) ratio for some value, and analysts believe it should see an increase in EPS of over 1,000% by next year! Meanwhile, it has an average potential upside of 51% as of writing on the **TSX** today. That makes it one of the top best Canadian stocks right now.

Better than expected

Methanol producer **Methanex** ([TSX:MX](#))([NASDAQ:MEOH](#)) also received a boost after methanol received a "stronger than expected" boost in pricing recently. Methanol has remained around seven to 14-year highs, depending on where you look. Combine this with the energy outlook, production woes,

and a global recovery and you have a solid foundation for growth.

Analysts believe Methanex to be one of the best Canadian stocks to outperform the **TSX** today. Shares are up 80% in the last year, and while its price-to-earnings ratio is high, it does have a solid 2.8 P/B ratio to consider. Sales should increase by over 50% in the next year. While the stock trades around the fair value price for the average potential upside, there are analysts already upping their one-year price point. So I would watch this stock on the TSX today before earnings season.

Power up

Finally, one of the best Canadian stocks to consider is **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)). Analysts continue to raise their outlook as the world moves toward clean energy. And Ballard is in a [prime position](#) to take advantage, not necessarily from cars but from every other type of vehicle.

The third quarter is setting up a perfect storm for Ballard. It seems every country is in a race to get rid of carbon-producing energy. Higher oil and natural gas prices, coal plant shutdowns, and shortages in fertilizers mean there is not just an opportunity for growth from Ballard, but a necessity for it. Hydrogen stocks have value, and one of the best Canadian stocks in this category is Ballard.

Analysts give the stock a potential upside of 20% as of writing. This would give back some of what has been lost in the last year and provide a strong opportunity for Motley Fool investors on the TSX today. With a P/B ratio of 3.1, it's a solid stock to pick up now for the next decade and beyond.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:BLDP (Ballard Power Systems Inc.)
2. NASDAQ:MEOH (Methanex Corporation)
3. TSX:BLDP (Ballard Power Systems Inc.)
4. TSX:DND (Dye & Durham Limited)
5. TSX:MX (Methanex Corporation)

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