3 Stocks That Could Kickstart Your October

Description

We are halfway into October, and if you have a monthly saving/investing schedule, chances are you've already bought your October stock(s). But if you haven't yet, and you are wondering which stocks would go well in your Tax-Free Savings Account (TFSA) or RRSP portfolios, there are three that should be on your radar right now.

Note that these three stocks represent good long-term holdings, and their October under or overvaluation might not sway the return potential, assuming you are planning on holding them for decades by a significant margin.

A waste collection company

While a waste collection might not seem like a business many large-cap giants would engage in, there is at least one in North America, and it's an amazing growth stock. **Waste Connections** (TSX:WCN)(NYSE:WCN) has a market capitalization of about $41 billion and an extensive presence in U.S. and Canadian secondary markets.

The bulk of the revenue (about 87%) comes from the U.S., where the company caters to 44 states. And its business covers more than just domestic solid waste. It also caters to the energy industry via its oil waste treatment business.

The company is a Dividend Aristocrat as well and has been growing its payouts for 11 consecutive years, but the 0.64% yield it's offering is even lower than what a decent savings account would get you. However, the consistency of its growth and the five-year compound annual growth rate (CAGR) of 20% makes it worth buying, even at its overpriced valuation.

A convenience store chain

Dollarama (TSX:DOL) is another Dividend Aristocrat that has been growing its payouts for 10 consecutive years. The Montreal-based company started out as one of the largest dollar-store chains in Canada, and ever since it had to raise some prices up to the $4 mark, it's now one of the largest Canadian store chains to have extensive product/merchandise range under $4 apiece.

As a household name and an amazing footprint, Dollarama offers security to its investors, and if we look at the numbers going as far back as a decade, the 10-year CAGR of 24.9% also establishes it as an amazing growth stock. The company seems financially sound enough, but if there is one problem with the stock, it is its abnormally high price-to-book ratio.

A golden stock

If you are looking for a gold stock that can hedge your portfolio when the market is down but still doesn't hold it back when the market recovers (by moving in the opposite direction), **Franco Nevada** (TSX:FNV)(NYSE:FNV) should be on your radar. The gold royalty and streaming company allows you to capture the upside of gold (as an asset) while shielding you, at least partially, from its negative correlation in a healthy stock market.

Franco Nevada has been one of the most consistent growth stocks in the sector (and there are relatively few) for some time now, though the post-pandemic dynamics of the stock were not very encouraging. But the stock has reached the point it would have been at (or a bit near it) if the pandemic hadn't thrown everything into disarray, so the current growth phase might be here to last, making it a great time to add this golden stock in your portfolio.

Foolish takeaway

When you are just learning to invest and haven't developed a healthy risk appetite yet, it's a good idea to stick to the easy and relatively safe stocks. These are the market leaders, financially stable, usually large-cap stocks that offer stability, albeit usually at relatively high prices. The three stocks fit the bill and can be considered amazing beginner stocks.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. NYSE:WCN (Waste Connections)
3. TSX:DOL (Dollarama Inc.)
4. TSX:FNV (Franco-Nevada)
5. TSX:WCN (Waste Connections)

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