



3 Top Stocks to Buy in October 2021

Description

Halfway through the month, investors may have noticed that the market has done fairly well in October. In fact, since the start of the month, the **S&P/TSX** index has already gained 2%. Thus, there is currently a lot of optimism among investors. With that in mind, are there certain stocks investors should be looking at? In this article, I'll discuss three stocks that investors should consider buying. Holding shares of these companies could generate excellent gains over the long term.

This industry is warming up

Over the past two years, investors have been very bullish on the renewable energy industry. Specifically, companies operating within the renewable utilities space have seen massive gains. One company, **Brookfield Renewable** ([TSX:BEP.UN](#))([NYSE:BEP](#)), stands out from its peers. It operates one of the largest asset portfolios in the world. Currently, it is capable of producing more than 21,000 MW of power. Despite its large size, the company remains dedicated to growth. Brookfield Renewable has a development pipeline of about 31,000 MW.

Since its inception, Brookfield Renewable has managed to generate an annualized return of 18%. This exceeds the company's target of producing 12-15% returns on an annualized basis over the long term. In addition, Brookfield Renewable has increased its dividend distribution at a CAGR of 6%. Like its total returns, the company's dividend-growth rate meets its target of a 5-9% annual increase over the long term. Brookfield Renewable is a top stock with a great history of outperformance.

Choose this top dividend stock

Remaining within the utility sector, investors should also consider adding **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) to their portfolios. The company stands out among its peers for its excellent geographic diversification. Fortis provides regulated gas and electric utilities to about 3.4 million customers in Canada, the United States, and the Caribbean.

A top dividend stock, Fortis currently holds the second-longest active [dividend-growth streak at 47 years](#)

. In its latest earnings presentation, the company reported that it aims to continue growing its dividend at a CAGR of 6% through to 2025. Over the past decade, Fortis has generally maintained a higher dividend payout ratio than most dividend investors would be comfortable with. However, in recent years, the company has done an excellent job of lowering that ratio. In 2020, Fortis had a payout ratio of about 50%. Fortis is truly an exceptional dividend stock.

Try this stock for massive growth

If you're looking for a home-run stock, **Goodfood Market** ([TSX:FOOD](#)) could be a stock worth considering. It is an online grocery and meal kit company operating across Canada. As of this writing, the company estimates that it holds a 40-45% share of the Canadian meal kit industry. Over the past few years, Goodfood has scaled its business massively. In 2017, Goodfood only offered meal kit products. In 2021, Goodfood now offers about 1,000 grocery products in addition to ready-to-cook and ready-to-eat solutions.

When assessing the company in terms of being a [great growth stock](#), Goodfood checks off a lot of boxes. It is a leading player in the emerging online grocery industry. In addition, Goodfood's board of directors holds a large ownership stake in the company (about 40%). Finally, its two co-founders continue to lead Goodfood as its CEO and COO. Obviously, there are more aspects investors should consider, including competitors, financial performance, and so forth. However, a broad look at the company suggests that Goodfood has all of the makings to be the next massive stock market winner.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:FOOD (Goodfood Market)
5. TSX:FTS (Fortis Inc.)

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Date

2025/08/22

Date Created

2021/10/14

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