Buy the Dip: Northland Power, Air Canada, and More

Description

The Canadian market may be soaring this year but many top **TSX** stocks are trading well below all-time highs. Long-term investors have plenty of opportunities today to invest in market-beating stocks that are on sale.

Considering the bull run that Canadian investors are riding right now, short-term investors may be hesitant to put their cash to work. Long-term investors, though, have the luxury of patiently waiting for a discounted stock to rebound.

I've got these three TSX stocks on my radar right now. All three have impressive market-beating track records and are trading at a discount today.

Northland Power

At a market cap nearing $10 billion, **Northland Power** (TSX:NPI) is a renewable energy leader in Canada. On top of that, the company owns and operates all kinds of different renewable energy projects spread across the entire globe.

Along with the rest of the renewable energy sector, shares of Northland Power have trailed the market's returns this year. The TSX stock is down close to 15% year to date and more than 20% from all-time highs.

Even so, shares are up a market-beating 80% over the past five years. When including Northland Power's 3% dividend yield, the TSX stock has more than doubled the returns of the **S&P/TSX Composite Index** since late 2016.

If you're bullish on the growth potential of renewable energy, now's the time to be investing. Northland Power is a perfect place to start if you're looking for exposure to this growing sector.

Air Canada

Air Canada (TSX:AC) stock has nearly doubled since March 2020 but shares are still way down from all-time highs. The airline stock is trading 50% below where it was prior to the start of the COVID-19 pandemic.

Market-beating growth isn't the first thing that comes to mind when thinking of airline stocks. The capital-intensive airline industry has led to many North American airline stocks struggling to keep up with the market's returns in recent years.

Air Canada, on the other hand, has not had any issues delivering market-beating growth as of late. Even with the recent COVID-19 market crash, shares are still up 60% over the past five years. And over the past decade, Canada's largest airline is close to a 20-bagger. Not many other airline stocks, let alone across the entire TSX, have put up that type of growth over the past 10 years.

Air Canada has rebounded impressively well from the lows it set in early 2020. And with the demand for travel expected to only continue increasing in 2022, now could be a wise time to load up on shares of the airline stock.

WELL Health Technologies

Telemedicine companies were some of the hottest stocks to own in 2020. The pandemic created a massive spike in demand for telemedicine services in early 2020.

Demand for virtual doctors appointments has understandably slowed dramatically in 2021, which explains why many leaders in the sector are trading well below all-time highs today.

WELL Health Technologies (TSX:WELL) is my top pick for Canadian telemedicine stocks. At a $1 billion market cap, this TSX stock certainly has the potential to continue delivering multi-bagger returns for many more years.

Shares were up close to 400% in 2020 alone. That puts the TSX stock at a gain of more than 5,000% since it went public in 2016.

Telemedicine is far from the hottest trend to invest in today. In the short term, I wouldn't be surprised to see shares of WELL Health continue to slide. But over the long term, telemedicine is one area of the market that growth investors would be wise to gain exposure to.

With WELL Health down more than 30% from all-time highs, now could be a smart time to start a position.

CATEGORY

1. Energy Stocks
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TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:NPI (Northland Power Inc.)
3. TSX:WELL (WELL Health Technologies Corp.)

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ndobroruka