3 of the Smartest Canadian Stocks to Buy in December

Description

Canadian stocks have just pulled back very severely from all-time highs. While panicked speculators sell in the madness of a correction, smart investors wait patiently to snatch up great stocks at bargain prices. If you want to build a fortune in the stock market, you need patience, a long-term mindset, and a calm, rational demeanour.

It is never easy to buy stocks when everyone is selling. Yet that is a wonderful way to increase your returns over time. As Warren Buffett has said, "When it's raining gold, reach for a bucket, not a thimble." If you have a bucket today, here are three Canadian stocks I would consider swiping up on the decline:

- **Enbridge** (TSX:ENB)(NYSE:ENB)
- **Shopify** (TSX:SHOP)(NYSE:SHOP)
- **Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM)

Enbridge: A top Canadian dividend stock

Enbridge stock gave up nearly six months of gains over November. In fact, since November 5, it has pulled back nearly 8.5%. This Canadian stock was punished due to a fast decline in oil prices over the new COVID-19 variant news. Likewise, Enbridge received a negative regulatory decision regarding its Mainline pipeline contracting. Fortunately, while interim toll agreements roll off, Enbridge has sufficient time to create an economic tolling or cost-of-service model for the Mainline.

Overall, Enbridge has a large and diverse portfolio of energy infrastructure assets. In 2021 alone, it will place $10 billion of new projects (including the new Line 3 pipeline) into service. All this should provide solid cash flow growth in the coming year.

Today, at $49 per share, Enbridge yields a 6.9% dividend. Just a few days ago, Enbridge announced it would raise its annual dividend by $0.10 per share (or 3%). It will likely grow its dividend by a similar rate for the coming years ahead.

Shopify: The top Canadian technology stock

With a market capitalization of $241 billion, Shopify is the largest stock on the TSX for a reason. The company has built out an e-commerce platform that could one day rival **Amazon.com** to some extent. Shopify's stock has recently pulled back around 13%. It certainly looks more attractive here than at 52-week highs.

The fact is, Shopify is not a cheap stock. It has a price-to-sales ratio of 42. Perhaps it is deserved, especially considering it is growing revenues by +50% a year and earnings are growing even faster. It has tons of growth optionality both in terms of products/services and geographic reach. The digitization of commerce should continue to be a strong [growth](#) tailwind for this Canadian stock for many years to come.

Brookfield: A top financial stock for any portfolio

Brookfield Asset Management is the one Canadian stock in this list that experienced only a minor decline on the recent market correction. While Brookfield is one of the largest asset managers in the world ($650 billion of assets under management), it still trades at a discount to peers and below intrinsic value.

With interest rates near all-time lows, Brookfield has been seeing institutional capital flock to it. As a result, over the past five years, BAM has been growing distributable earnings by a compounded annual growth rate of 32%. Earnings growth is accelerating, as BAM starts to realize gains from mature funds and assets.

This Canadian stock has a great balance sheet, a top management team, and a stable growth profile for years ahead. It looks like a great diversified anchor stock for any investor's portfolio.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BN (Brookfield)
5. TSX:ENB (Enbridge Inc.)
6. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. robbybrown

Category

1. Investing
2. Stocks for Beginners

Date
2025/07/22
Date Created
2021/12/09
Author
robbybrown

Footer Tagline

Footer Tagline