



The 2 Best Canadian Stocks to Buy in 2022

Description

The market's recent volatility is no reason to be on the sidelines. Even amid a new COVID variant, the Canadian stock market is trading at near all-time highs. If you can stomach the volatility, there's no shortage of [growth opportunities](#) for Canadian investors right now.

The last 20 months have taught investors that a global pandemic doesn't necessarily mean bad news for the stock market. After crashing in March 2020, the **S&P/TSX Composite Index** is up an incredible 75%. It's certainly been a bumpy ride, but patient investors have been well rewarded.

Heading into 2022, I'm going to continue executing the same investing strategy that I have been pre- and post-COVID. My focus remains on adding high-quality businesses to my portfolio and holding for the long term.

I'll be looking to add shares of these two Canadian stocks to my portfolio in early 2022.

Descartes Systems

With all the talk surrounding supply chain issues, **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) deserves a spot on all long-term investor's watch lists. The [tech stock](#) trades at a premium, but for good reason.

Shares of the Canadian stock are up a market-beating 250% over the past five years. In comparison, the Canadian market is up about 40%. So, it's not surprising that Descartes Systems is trading at an expensive valuation.

The company provides solutions for supply chain management operations. Descartes Systems can help its global customers throughout the entire supply chain process, which explains why the demand for the company's services has skyrocketed over the past year.

Shares aren't cheap, which means volatility will likely be even more extreme than the broader market. But I'm also betting that Descartes Systems will be able to outperform its 250% growth over the next

five years.

If you're looking to add some growth to your portfolio in 2022, this Canadian stock is a solid choice.

Brookfield Renewable Partners

The market as a whole may be up big in 2022, but not all sectors have enjoyed that type of growth.

Renewable energy, in particular, has not been able to continue its strong growth from 2020. Following the COVID-19 market crash early last year, renewable energy stocks were some of the hottest on the TSX. It's been a different story in 2021 with many leaders in the sector trading well below all-time highs.

I still strongly believe the long-term growth potential for renewable energy stocks is largely intact. As a result, I'm looking to increase my exposure to the growing sector in early 2022.

At the top of my watch list is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). As a current shareholder already, I'll be looking to add to my position while the stock is trading at a massive [discount](#).

The Canadian stock is down more than 30% from all-time highs set earlier this year. Still, shares are up a market-beating 100% over the past five years. And that's not even including the company's impressive 3.6% dividend yield.

Brookfield Renewable Partners can provide investors with broad exposure to the renewable energy sector. The company has an international presence with operations spanning a range of different renewable energy solutions.

If you're new to renewable energy stocks, Brookfield Renewable Partners is a perfect first company to own. And if you're a seasoned investor already with plenty of exposure to this sector, now would be a wise time to add to your positions.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:DSG (The Descartes Systems Group Inc)

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