



## Beginner Investors: 4 Top TSX Stocks to Buy for 2022

### Description

After a dire December for the **TSX Index**, Canadian stocks look like they could be primed for a Santa Claus rally over the next few weeks. While volatility will continue to persist in 2022, Canadian stocks should still enjoy decent performance in the coming year. 2021 was an exceptional year, so perhaps return expectations do need to be tempered to a more normal average.

Are you new to investing and looking for somewhere to start? Here are four top TSX stocks that should collectively outperform the TSX Index in 2022 and likely beyond.

### A top TSX bank stock

If interest rates are set to gradually rise, that could be positive for Canadian banks. So long as the economy remains relatively robust, banks get the bonus of higher interest rate margins. One bank that should provide solid capital and income returns is **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

This is the second-largest bank in Canada and amongst the largest in North America. I like it for its diversified retail and commercial operations across Canada and the United States. This bank is very well managed, and it has built up substantial excess capital to deploy in 2022. It just raised its quarterly dividend 13%, and its stock now yields 3.7%. Overall, this stock is a good long-term portfolio anchor to buy and hold for years.

### A long-term compounder

A unique financial stock that should continue to outperform the TSX is **Brookfield Asset Management** ([TSX:BAM.A](#))([NYSE:BAM](#)). With over \$650 billion of assets under management, it is one of the largest managers of alternative assets. With over \$650 billion of assets under management, it is one of the largest managers of alternative (real estate, renewables, infrastructure, private equity) in the world.

Due to low returns, institutional money is fleeing bonds. Consequently, the best alternative is high-yielding alternatives like the ones listed above. For a company with a market capitalization of \$150

billion, this stock still has a substantial [runway of growth](#) ahead.

Management expects to grow earnings per share by at least a 15% compounded annual growth rate for the next five years. Utilize the [Rule of 72](#), and that is a nice risk-adverse way to double your money in that time frame.

## A TSX stock set for recovery

Everyone is aware of the painful effects of inflation. This can be seen in everything from groceries to gasoline prices. One sector that performs well in this environment is energy stocks. These stocks are cyclical, but many trade at extremely discounted valuations today. One that looks attractive today is **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)).

This TSX stock has massively lagged other energy peers in 2021. Consequently, it looks due for a catch-up trade in 2022. The company has had some operational issues. However, most of these appear behind it.

With oil over US\$70 per barrel, Suncor is oozing excess free cash flow. At \$25 per share, it pays a great 5.4% [dividend](#) yield. That's a nice bonus while you wait for the stock to recover to pre-pandemic levels.

## A sharply discounted tech stock

The recent pullback in TSX growth stocks is making for an attractive long-term entry point. One stock that should deliver some strong returns in 2022 is **TELUS International** ([TSX:TIXT](#))([NYSE:TIXT](#)). This stock spun-out of **TELUS Corp.** in an initial public offering (IPO) early in 2021

Telus International has a very unique growth focused business outside of its telecom parent. It helps some of the world's largest corporations transition to the increasingly new digital world. It integrates machine learning, artificial intelligence, and advanced digital processes to help streamline customer interactions.

This plays on some pretty major technological themes for the long-term. Consequently, TIXT is growing both revenues and EBITDA by around 25-30% a year. Today, this stock trades only a few percent over its IPO price. The company has delivered consistent strong results so far in 2021, and the stock looks like a bargain here.

### CATEGORY

1. Investing
2. Stocks for Beginners

### POST TAG

1. Editor's Choice

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1. NYSE:BN (Brookfield Corporation)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. NYSE:TIXT (Telus International)
5. TSX:BN (Brookfield)
6. TSX:SU (Suncor Energy Inc.)
7. TSX:TD (The Toronto-Dominion Bank)
8. TSX:TIXT (Telus International)

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