



My 3 Favourite Stocks to Buy For 2022

Description

When to buy is just as important as *what* to buy when it comes to investing. There are many great companies and stable businesses that are technically good buys regardless of the time, but you can still shift the bottom line in your favour quite drastically by buying at the right time.

There are three companies that I believe will present the perfect opportunities to buy in 2022.

A powerful growth stock

goeasy ([TSX:GSY](#)) has always been a [great growth](#) and dividend stock, but the pandemic and post-pandemic recovery blew its capital appreciation potential beyond proportions. So, buying it right now when it's trading at an all-time high might be a mistake. The stock that grew over 190% between 2017 and 2019 got catapulted over 600% from its market crash valuation to its all-time high in 2021.

Even more impressive is the valuation that has stayed fair despite the rapid ascent of the stock price. Still, the stock is so propped up on optimism and hopes that buying it now, even though it has fallen about 19% from its peak, might be a mistake.

You should try and wait for the correction to continue and knock the stock down to a more reasonable level before it starts rising again in accordance with its strong fundamentals. This is likely to happen in 2022, and that's when I would buy.

A down-trodden growth stock

If you are looking for a stock to buy in early 2022, **Cargojet** ([TSX:CJT](#)) is another contender. Unlike goeasy, Cargojet's former growth matches its post-pandemic growth. The subsequent fall (which is still underway) is also more aggressive. The stock has already fallen over 30%, and the downward pattern might continue for a while.

The stock is still overvalued. Even though the combination of strong earnings and "corrected" stock

price are likely to push the value down quite close to the fair level, it's not at the point investors should buy. The stock might start growing again at its former pace and develop a steady pattern in early 2022. That's when you should consider adding this once-powerful growth stock to your portfolio.

A generous dividend stock

Few TSX [dividend stocks](#) manage to maintain a very generous yield for a relatively long time, and **MCAN Mortgage (TSX:MKP)** stands out even within that select group. With a total yearly yield that didn't fall below the 7% mark in the last several years, MCAN mortgage stands out as a strong and stable dividend stock whose generosity stands in stark comparison to its relatively small market value (about \$500 million).

Currently, the stock is offering a mouthwatering 8% yield at a very attractive valuation and a highly stable payout ratio of 49.6%. However, the stock has been moving downward for a while now, and if the pattern continues, you might be able to lock in an even better yield. This is also expected to happen relatively early in the coming year, and you wouldn't have to wait too much to buy.

Foolish takeaway

The one dividend and two [powerful growth stocks](#) are not the only ones on my radar for the year 2022, but they are my top priority. Thanks to their respective competitive edges, financial strength, and prospects, they are worthy long-term holdings. The potential can be maximized by timing the buy-in efficiently.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:MKP (MCAN Mortgage Corporation)

PARTNER-FEEDS

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