Planning to Invest? 3 Top TSX Stocks to Buy in 2022

Description

The Canadian market is coming off a strong year of gains in 2021. The new COVID variant caused an initial selloff in early December, but investors bought the dip, and the **S&P/TSX Composite Index** rebounded impressively well.

Heading into 2022, there are still plenty of uncertainties surrounding the pandemic. But if you're investing for the long term, I wouldn't let that prevent you from investing in top TSX stocks today. The stock market proved last year that it can flourish, even amid a global pandemic, albeit with some volatility.

So, if you're got the patience and time horizon to endure high levels of volatility, I'd highly suggest putting some cash to work in the Canadian stock market. Here's a list of three companies that I'd recommend adding to your watch list.

Shopify

Canada's largest company, **Shopify** (TSX:SHOP)(NYSE:SHOP), is not a cheap stock any way you look at it. Shares are trading close to $2,000 today. But what investors should be much more focused on is the tech stock's frothy valuation.

At a price-to-sales ratio of over 40, Shopify is one of the most expensive TSX stocks around. That being said, it's also been one of the top-performing since it went public in 2015. Shares are up over 5,000% since then.

The tech company's track record and growth potential are why investors are willing to pay top dollars to be a shareholder.

If you can stomach the volatility, Shopify is a high-quality business that any long-term investor would be wise to own shares of.

It may be expensive, but investors do have the opportunity to pick up shares at a discount today. The tech stock is trading just about 15% below all-time highs right now.

Kinaxis

Next on my list is another market-leading tech stock that's poised for many more years of market-beating gains. Also similarly to Shopify, Canadian investors can pick up shares of this TSX stock at a discount, too.

Kinaxis (TSX:KXS) ended 2020 just about flat, but the tech stock is still up a market-beating 185% over the past five years. Today, shares are down 20% from all-time highs.

The tech company provides all kinds of solutions for supply chain planning. Its cloud-based software helps its customers throughout the entire supply chain process. Kinaxis also boasts a growing customer base that now includes countries in North America, Europe, and Asia.

Kinaxis may not be able to match Shopify's growth, but shares are much cheaper from both a stock price and valuation perspective. And with the tech stock also trading at a discount, this is a great buying opportunity for growth investors.

Toronto-Dominion Bank

The last TSX stock on my list will help balance out the volatility of the first two companies.

At a market cap of $175 billion, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is the second-largest bank in the country.

TD Bank can provide investors with stability, passive income, and even market-beating growth. Stability and passive income are the two main reasons I'd suggest owning the bank stock, but TD is certainly no stranger to outperforming the market.

If you plan on investing in high-growth TSX stocks, I'd highly recommend owning shares of a couple of dependable stocks, such as TD Bank. There's nothing overly exciting about bank stocks but you'll be glad to own shares of them during inevitable market pullbacks.

CATEGORY

1. Investing
2. Stocks for Beginners

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:KXS (Kinaxis Inc.)

4. TSX:SHOP (Shopify Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

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