



3 Stocks That Are So Good, You Can't Ignore Them

Description

What's a good stock, according to you? Is it the stock that offers the most bang for its buck? Is it the most undervalued stock currently in the market or the most aggressive growth stock? Or you might have an entirely different classification of good in your mind. Regardless, there are three stocks that I perceive as good investments, which they either currently are or will be in the future.

A steel company

Precious metals have their allure, but base metals and their derivatives (like steel) can outshine them on occasion. One example would be **Stelco Holdings** ([TSX:STLC](#)), a proudly Canadian steel company that served the country's needs for about a century before going bankrupt. Now, it has been revitalized as an American acquisition.

The company's post-pandemic growth wave, which has still not turned the corner into a long overdue correction, has catapulted the price to enormous heights. At its peak, the stock grew over 1,200% from its rock-bottom price during the crash. What's even more surprising is that it's still quite undervalued, considering the price-to-earnings multiple of 3.3 and that it's offering a 2.9% yield.

A generous dividend stock

[High-yield stocks](#) like **MCAN Mortgage** ([TSX:MKP](#)) are almost always a good buy, as long as you can be reasonably sure about the payout sustainability, which MCAN offers. This federally regulated mortgage investor might be considered inherently conservative, which equates to low risk. That makes its enormous 7.8% yield quite attractive, to say the least.

The sustainability potential of its dividends, if gauged by the payout ratio of 49.6%, is quite solid. The stock is also very undervalued right now, though not overly discounted. The company *has* grown its payouts for the last three years, following a major slash in 2018. And if that's the level the company is trying to reach again, you may see a sizeable rise in your payouts starting next year.

A growth-oriented REIT

While REITs are usually picked for their dividends, **Summit Industrial Income REIT** ([TSX:SMU.UN](#)) should be considered for its capital-appreciation potential. It has a five-year CAGR of 36.2%, ranking it among some of the best growth stocks currently available on the TSX. While the 2021 peak is the stock's highest point in the last nine years, it's still a far cry from the level the stock used to trade on before 2012.

And if this REIT is making a comeback to its glory days, you should consider buying it now. Even though the current yield of 2.4% is hardly tempting, the REIT's [growth potential](#) coupled with its current undervaluation makes it an amazing deal right now. The recent growth can be chalked up to the REIT's focus on light industrial properties, which are in high demand thanks to the e-commerce boom.

Foolish takeaway

The three companies, whether you put them in in [your TFSA](#) or RRSP, can help boost your portfolio's return potential tremendously if they keep moving in the right direction. All three stocks are quite attractively valued as well.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:MKP (MCAN Mortgage Corporation)
2. TSX:SMU.UN (Summit Industrial Income REIT)
3. TSX:STLC (Stelco Holdings Inc.)

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