



3 Safe Canadian Stocks to Buy in This Volatile Environment

Description

With Russia launching a full-scale attack on Ukraine, oil prices have reached a new eight-year high. The surge in oil prices could further worsen the current high-inflation environment. So, I expect the equity markets continue to be volatile in the near term. Given the uncertain outlook, here are three safe Canadian stocks that you can buy right now to strengthen your portfolio.

B2Gold

Amid the rising geopolitical tension and volatility in the equity markets, investors are moving towards gold, a safe haven. Amid this transition, gold prices have appreciated by 6.6% since the beginning of this month. Higher gold prices could benefit gold mining companies, including **B2Gold** ([TSX:BTO](#))([NYSE:BTG](#)). Amid the favourable business environment, B2Gold's stock price has increased by over 6% this year.

Meanwhile, I expect the uptrend to continue. Given the uncertainty in the equity markets, I expect gold prices to rise further. B2Gold [expects](#) its production in 2022 to come in the range of 990,000-1,050,000 ounces. At an average realization price of US\$1,800 per ounce, the company expects to generate consolidated cash flows of US\$625 million. Meanwhile, with gold prices currently trading above these levels, I believe the company will deliver strong financials this year.

The company also pays quarterly dividends, with its forward yield at 3.01%. So, I am bullish on B2Gold.

Suncor Energy

Oil prices have reached a new eight-year high amid the Russia and Ukraine conflict escalation. Higher oil prices could benefit oil-producing companies, such as **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Despite rising over 80% in the last 14 months, the company still trades below its pre-pandemic levels. Its forward price-to-earnings ratio also looks attractive at 7.8.

Supported by its low-decline, long-life assets, Suncor Energy can meet all its planned operating and

administration expenses, sustainable capital investments, and pay dividends, provided WTI oil trades around \$35/barrel. With oil trading around \$100/barrel, the company's margins could improve significantly. The company has taken initiatives to increase its production by 5% this year while enhancing its refinery utilization rate. So, I believe Suncor Energy is well positioned to benefit from higher oil prices.

Also, its cost-reduction initiatives, lower debt, and share-repurchase programs could boost Suncor Energy's financials in the coming quarters. Meanwhile, it also pays a quarterly dividend of \$0.42/share, with its forward yield at an attractive 4.53%. So, I expect [Suncor Energy to be an excellent addition to your portfolio](#).

Fortis

My final pick is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), which operates low-risk and regulated businesses. With regulated assets forming 99% of its asset base, it generates stable and predictable cash flows irrespective of the state of the economy. So, these robust cash flows have helped the company raise its dividends for 48 consecutive years.

Meanwhile, the company has planned to invest \$20 billion to expand its utility and clean energy assets over the next five years. These investments could increase its rate base at a CAGR of 6% to \$41.6 billion by 2026. Given its healthy growth prospects and an expectation of increased cash flows, Fortis's management hopes to grow its dividends at a CAGR of 6% through 2025. So, given its consistent dividend payouts, low-risk business, and healthy growth initiatives, I believe Fortis can provide stability to your portfolio.

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3. NYSEMKT:BTG (B2Gold Corp.)
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5. TSX:FTS (Fortis Inc.)
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