



Top Stocks for March: Are These 2 Stocks Screaming Buys?

Description

March will cap off what's been a volatile first quarter to 2022. While risks have mounted, there are always top stocks to check out, and in this piece, we'll have a look at two that may be evolving into screaming buys for contrarian investors who want great value for their buck.

Growth has been the weakest link of this market. Whether it shows signs of recovery in March remains to be seen. Regardless, **CIBC** thinks that there's more value to be had in Canada. I couldn't agree more. The tech-light TSX Index has been neglected for years. Even with the surge in oil (WTI eclipsed US\$100 per barrel, a level I looked to back in 2020 when everybody was ditching their oil stocks), many remain skeptical over Canadian energy stocks and other plays that could have much [more room to run](#) over the next year.

In this piece, we'll have a closer look at two top stocks I'd watch for March 2022.

Canadian Natural Resources

Topping off the list, we have **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), a top energy play that's soared over 22% year to date on the back of strength in energy prices. I think there's more strength to come in the top-performing senior energy giant. The stock remains dirt cheap at just 13.5 times trailing earnings. With a 3.5% dividend yield, CNQ stock is undoubtedly one of the more intriguing options out there for investors looking to stay ahead of inflation. While inflation could stay above 5% for most of the year, I'd argue that CNQ's growing payout could dampen the blow of persistent inflation.

During the worst of COVID headwinds, CNQ kept its dividend intact, while gobbling up Painted Pony Energy for a deal that looks to have been a steal. Indeed, it took a bold management team to make such moves when it seemed like the curtains were pulled over the energy patch. Looking back, CNQ made the right move, and now it's being rewarded.

Moving ahead, I'd look for the firm to slowly and steadily turn on the spigot. Should it do so in a big way, expect the price-to-earnings multiple to compress accordingly, all while the stock continues to add

to its epic rally. Could oil plunge and drag CNQ stock down with it? Sure, but be ready to average down in CNQ should it do so. In any case, I'm not against buying half a position here and half later after a potential near-term pullback.

Parkland Fuel

Parkland Fuel ([TSX:PKI](#)) is a convenience store and fuel retailer that has endured a rocky road in recent years. The COVID pandemic has been hard on the firm. With shares still down around 33% from their highs, I'd look to be a buyer of the \$5 billion firm that could be a prime takeover target. The market cap makes the firm bite-sized, and the huge dividend yield of 3.8% could [reward investors while they wait](#).

At 35.4 times earnings, the stock may seem expensive. But with the great economic reopening up ahead, I think that PKI stock could have the means to rise, even if no firm attempts to acquire it. The recent pick-up of M&M Meat Shops gives Parkland a nice edge in the frozen food department. The deal went under the radar, but I think it could really pay off over the long haul, given such quality frozen foods could act as a real draw to convenience stores, like those owned by Parkland.

CATEGORY

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