



The 3 Best Canadian Stocks to Buy in March 2022

Description

It has been a turbulent ride for Canadian stocks in 2022. Every day appears to bring a new surprise or challenge. The market is still facing down issues like rising interest rates, inflation, supply chain issues, and the rising conflict in Eastern Europe.

So far, earnings reports have been decent. However, any disappointment is met with severe drawdowns. The only way to combat this volatility is to take a long-term perspective. The world might be troubled now, but stocks in quality businesses are resilient.

Right now, a combination of Canadian growth and defensive stocks seems to be a good approach. Growth is becoming cheap for long-term positions, but [defensive stocks](#) should provide decent total returns through the volatile short term. If you are looking to buy when it feels uneasy, here are three stocks to look at in March.

Topicus.com: A top software stock

Topicus.com ([TSXV:TOI](#)) was spun out of **Constellation Software** in early 2021. Just the fact that it has come out of the Constellation Software family should pique your interest. Constellation is one of the best-performing companies on the TSX ever.

Topicus.com operates and acquires specialized niche software businesses in Europe specifically. The flight from growth stocks has caused this Canadian stock to pull back by 25% this year.

While this is worrisome, Topicus.com is a high-quality Canadian growth stock. Last year, revenues grew by 50%; 8% of that growth was from organic revenues. The company provides critical software with strong competitive advantages. Its valuation is starting to become quite attractive here. Keep in mind, the risks in Europe are elevated, but there could be a rebound if tensions abate.

Pembina Pipeline: A top high-yielding Canadian stock

Another Canadian stock that looks interesting, especially for its dividends, is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)). Today, this stock pays an attractive 6% dividend. It just released [year-end 2021 results](#), which were better than expected. Net revenues were up 14%, and adjusted EBITDA increased 5%. Earnings per share rose to \$1.99 versus a loss of (\$0.86) last year.

Pembina owns and operates pipelines, midstream assets, and storage/export terminals across Canada and the United States. Sustaining [energy](#) prices are becoming a boon for energy producers and the picks-and-shovels businesses around them.

Pembina is reconvening several organic expansion projects and has its eyes set on other large-scale partnership opportunities. All these factors could propel earnings growth going forward. For a reliable monthly dividend and some decent growth upside, Pembina looks like a good buy today.

TELUS: A top Canadian dividend-growth stock

Considering the stock market has been volatile, safety stocks have been outperforming. One defensive dividend payer showing strong momentum is **TELUS** ([TSX:T](#))([NYSE:TU](#)). It is up 8.7% this year compared to the **TSX Index**, which is down nearly 1%.

In its year-end, this Canadian stock delivered solid revenue and earnings growth. Likewise, its outlook impressed the market with better-than-expected 8-10% growth guidance. It currently pays a 4% dividend, but chances are good that the dividend will increase with its growth targets.

TELUS is attractive for its strong competitive position as a leader in Canadian telecom services. It is also growing several fast-growing digital vertical businesses. While these are small, they are becoming substantial leaders in their segments. These are only now being factored into TELUS's valuation, and I think there is still room to enjoy strong total returns in 2022.

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2. NYSE:TU (TELUS)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:T (TELUS)
5. TSXV:TOI (Topicus.Com Inc.)

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