18 Top TSX Stock Picks for March 2022

Description

We asked our Foolish writers for their top ideas for March. Here are their picks.

Nicholas Dobroruka: Shopify

This price is just too hard to ignore. I've got discounted growth stock **Shopify** (TSX:SHOP)(NYSE:SHOP) as my top pick in March.

The $100 billion tech company has lost close to 50% in value over the past year. Even with the 50% drop, though, shares are still far from cheap from a valuation perspective. That being said, Shopify has never been a cheap stock, nor do I think it will be one anytime soon.

At Shopify's current valuation, volatility should be expected. So as long as you're investing for the long term and can stomach the price swings, now is an excellent time to be loading up on shares of one of Canada's largest companies.

Fool contributor Nicholas Dobroruka owns Shopify.

Chris MacDonald: Agnico Eagle

My top stock for March is **Agnico Eagle** (TSX:AEM)(NYSE:AEM). This Canada-based gold miner is now one of the top gold miners in the world. That's thanks to this company's recent acquisition of fellow gold miner Kirkland Lake Gold.

This integration brings Kirkland Lake's mix of high-grade and high-volume mines to Agnico's portfolio. The combination was done at a reasonable price and suggests impressive upside for the combined organization.

Those bullish on where gold prices are headed may look to gold miners for exposure to this commodity price. The leverage Agnico Eagle provides, along with its top-notch management team, make for an excellent buy as we head into what could be a tumultuous March.

Fool contributor Chris MacDonald owns shares in AEM.

Kay Ng: Manulife

Manulife (TSX:MFC)(NYSE:MFC) was my top stock pick in February, and it remains my top pick this month. A rising interest rate environment should continue to be favourable for the life and health insurance company.

Additionally, Manulife remains a value stock that offers a juicy yield of 5%. At $26 and change per share, the dividend stock trades at only 8.1 times trailing-12-month earnings, while analysts are projecting an earnings-per-share growth rate of 9% over the next few years.

Furthermore, the Canadian Dividend Aristocrat has the ability to maintain dividend increases based on a sustainable payout ratio and growing earnings.

Fool contributor Kay Ng owns shares of Manulife.

Puja Tayal: Magna International

My top TSX stock pick for March is **Magna International** (TSX:MG)(NYSE:MGA), the third-largest auto component supplier. The company increased its exposure to electric vehicle (EV) production, but the chip supply shortage pulled the stock down. The supply issue is expected to ease this year, and there is pent-up demand for EVs. EV stocks could bounce back later this year, and Magna would be at the forefront.

Magna had a glimpse of EV momentum when Joe Biden took the U.S. presidency. The stock doubled between September 2020 and April 2021 to $126. It is currently trading below $100, creating an opportunity to buy a growth stock at a discount.

Fool contributor Puja Tayal has no position in any of the stocks mentioned.

Tony Dong: SPDR Gold MiniShares Trust

Impending Fed rate hikes have nullified the negative correlation investors have traditionally seen between equities and long-term U.S. treasuries. Since the start of 2022, the correlation has hovered around 0.3%, reducing their value as hedge against equity risk and hurting their returns.

Right now, the asset class offering the lowest correlations with both equities and stocks is commodities. The issue is that commodities have zero expected real returns over time, and most futures-based commodities funds suffer from contango. The exception here are physical gold ETFs.

My top pick here would be **SPDR Gold MiniShares Trust** (NYSE:GLDM). With an expense ratio of 0.18%, this U.S. ETF provides great exposure to the spot price of gold. Investors with a low risk tolerance or a short time horizon should consider allocating a small portion of their portfolio to it.

Fool contributor Tony Dong has no position in any of the stocks mentioned.

Sneha Nahata: Shopify

Shopify (TSX:SHOP)(NYSE:SHOP) stock is an attractive investment at current levels, as the correction (it has dropped about 62% from its high) created a solid entry point for investors. Despite the reopening of retail locations, the ongoing digital shift and Shopify's growing market share in the U.S. retail imply that the company is positioned well to deliver strong revenue growth in the coming quarters.

While difficult year-over-year comparisons will impact its near-term financials, Shopify's growing product suite, increasing geographic footprint, and adoption of its payments services augur well for future growth. Furthermore, its multi-channel selling platform and expansion of social commerce and own fulfillment capabilities provide a solid base for multi-year growth.

Fool contributor Sneha Nahata has no position in any of the companies mentioned.

Amy Legate-Wolfe: Canadian Imperial Bank of Commerce

The stock market continues to drop, and investors wonder if now is the time to get out or dive in. Honestly, the best option is the most obvious. The Canadian Big Six banks rebounded within a year of the last several economic crashes. With more uncertainty in the future, this is where Canadians should store their cash. But the best choice? **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM). CIBC stock had the highest yield at 4% and is a stellar growth opportunity, yet it still trades at a valuable 11.12 times earnings. So, this is a top choice for Canadians to consider to get them through this troubling time.

Fool contributor Amy Legate-Wolfe owns shares of Canadian Imperial Bank of Commerce.

Aditya Raghunath: Shopify

If you missed out on Shopify back in 2020, then the ongoing selloff presents investors with a mouth-watering opportunity. Shopify stock is down 61% from all-time highs but has still returned 2,500% to investors since its IPO in 2015.

Shopify's sales rose by 86% in 2020 and 58% in 2021. The ongoing pandemic acted as a massive tailwind for the Canadian tech giant, and while the top line is expected to decelerate going forward, it's forecast to rise by a healthy 30% in each of the next two years.

Shopify will also be deploying close to $1 billion in the next three years to build a network of fulfillment centres which should drive merchant solutions sales higher going forward.

Fool contributor Aditya Raghunath has no position in any of the stocks mentioned.

Karen Thomas: AltaGas

My top pick for this month is a stock that I have recommended before. **AltaGas** (TSX:ALA) is a diversified Canadian energy infrastructure company. It operates in two segments: the Utilities segment and the Midstream segment. Today, fundamentals for AltaGas continue to strengthen, and so I'm compelled to make it my top pick once again.

The growth for AltaGas comes from its midstream segment. With natural gas prices soaring, so are the prices of propane and other natural gas by-products. AltagGas is quickly ramping up its export facility in order to meet booming demand from abroad, mostly Asia. Canadian natural gas, and AltaGas, are in the perfect position to be a supplier of choice. The stock is simply undervalued based on this outlook.

Fool contributor Karen Thomas owns shares of AltaGas.

Jed Lloren: Shopify

My top stock for March 2022 is **Shopify** (TSX:SHOP)(NYSE:SHOP). At a quick glance, it may seem like investing in Shopify today is the same thing as throwing away money. However, investors need to look at the big picture. The first reason Shopify stock has fallen so heavily is because interest rates are expected to increase this year. That makes it hard for growth stocks to continue growing. However, Shopify has managed to become very profitable, meaning it has the capability to grow under its own power (i.e., without needed to take on loans).

Shopify continues to be a leader in the emerging e-commerce industry. In fact, it now challenges **Amazon** as the most visited e-commerce destination. Take advantage of this amazing discount.

Fool contributor Jed Lloren owns shares of Shopify.

Stephanie Bedard-Chateauneuf: Gildan Activewear

Gildan Activewear (TSX:GIL)(NYSE:GIL) is my top stock for March.

Gildan has increased its dividend by nearly 10% after reported a fourth-quarter profit of $173.9 million, which is up from $67.4 million a year earlier. Net sales for the quarter ended January 2 hit a record of $784.3 million, which is up 14% from $690.2 million in Q4 2020.

Quarterly revenue growth was propelled by a 17% increase in sportswear sales and higher net selling prices, while hosiery and underwear revenue increased 3%.

Gildan plans to continue expanding its capacity in Central America and the Caribbean and resume expansion in Bangladesh, where it is building the first of two major textile and sewing facilities.

Fool contributor Stephanie Bedard-Chateauneuf has no position in any of the stocks mentioned.

Robin Brown: goeasy

It is not often you can find a fast-growing TSX stocks trading for only 10 times earnings. Well, that is what you get with **goeasy** (TSX:GSY). Over the past 10 years, its stock has increased 1,960%. That is a 35% compounded annual growth rate.

As one of Canada's largest non-prime lenders, it has the platform and scale to be a dominant player. Likewise, it continues to expand its product/service offerings. It also has its target set on international expansion. Despite ample opportunities to grow, this TSX stock is down 20% this year. Right now, it is yielding a 2.5% dividend, so for growth, value, and income, it looks very attractive.

Fool contributor Robin Brown owns goeasy.

Jitendra Parashar: TFI International

The market uncertainties are rising due to several factors, including high inflation, concerns about a tighter monetary policy, and escalating geopolitical tensions. Given these uncertainties, it might be the right time to stick with safe stocks with well-proven track records of delivering good returns. That's why **TFI International** (TSX:TFII)(NYSE:TFII) is my top pick for March 2022. Its stock is currently trading with 8% losses at $130.30 per share after posting solid gains in the previous four years.

TFI International is a Saint-Laurent-based transportation and logistics company that has seen strong business growth in the last year. In the full year 2021, its revenue rose by about 91% and helped the company post a strong 58.5% year-over-year jump in its adjusted earnings to $5.23 per share. TFI's financial growth trend is likely to remain strong in 2022, as the demand for quality logistic services continues to rise across industries. This is one of the reasons why I expect TFII stock to rebound sharply in the near term.

Fool contributor Jitendra Parashar has no position in any of the stocks mentioned.

Vineet Kulkarni: Tourmaline Oil

My top stock pick for March 2022 is **Tourmaline Oil** (TSX:TOU). It is flush with cash and looks well placed to ride higher natural gas prices.

Canada's largest gas producer, Tourmaline will report its Q4 2021 earnings on March 2. Its higher quarterly numbers could fuel the next leg of its stock price rally. The company has paid special dividends twice in the last six months and could issue another one in 2022.

Tourmaline has seen superior free cash flow growth since 2021, which has been driven by its debt repayments and shareholder dividends.

Interestingly, despite doubling since last year, TOU stock is still trading eight times its earnings. That looks discounted against its peers and indicates a huge growth potential.

Fool contributor Vineet Kulkarni has no position in any of the stocks mentioned.

Demetris Afxentiou: Canadian National Railway

When volatility increases, investors seek out defensive options. Given recent events, the need for a defensive stock weighed heavily on me for this month. That top stock is **Canadian National Railway** (TSX:CNR)(NYSE:CNI).

Canadian National operates the largest railroad in Canada and one of the largest on the continent. Canadian National's track network extends over 32,000 kilometres, connecting ports and warehouses on both sides of the border. That network is also the only one on the continent with access to three separate coastlines.

That incredible network allows Canadian National haul upwards of US$250 billion worth of freight each year. Furthermore, that freight covers everything from automotive parts and raw materials to crude oil and wheat. It is no wonder why that rail network is referred to as an arterial vein of the entire North American economy.

In other words, Canadian National draws a massive defensive moat and generates a stable revenue stream. Throw in a juicy quarterly dividend, and you have a great defensive pick for any portfolio.

Fool contributor Demetris Afxentiou owns shares of Canadian National Railway.

Ambrose O'Callaghan: Royal Bank of Canada

My top stock for March 2022 is **Royal Bank** (TSX:RY)(NYSE:RY), Canada's largest bank. Shares of Royal Bank were up 2.9% in 2022 as of mid-afternoon trading on February 25. However, the stock is down marginally month over month. The Bank of Canada may be set to raise rates in March, but investors should not fret over bank stocks. Higher rates should bolster profit margins in the near term.

In Q1 2022, Royal Bank delivered net income growth of 6% to $4.1 billion and diluted earnings per share jumped 7% to $2.84. Moreover, positive momentum continued in its Personal and Commercial Banking and Wealth Management segments. Royal Bank stock possesses a favourable price-to-earnings ratio of 12. It offers a quarterly dividend of $1.20 per share, which represents a 3.4% yield.

Fool contributor Ambrose O'Callaghan has no position in any of the stocks mentioned.

Andrew Button: Toronto-Dominion Bank

My top stock for March is **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). The bank reports earnings on March 3 and is likely to put out fairly strong numbers. This year, we are seeing interest rates rise in both the U.S. and Canada. The central banks haven't started tightening yet, but mortgage rates and other interest rates have already been rising in anticipation of the central bank moves. This is bullish for banks. The higher the interest banks charge on their loans, the more money they make. TD operates in both the U.S. and Canada, so it can benefit from the tighter monetary policy in both countries. Overall, it's a great company positioned perfectly for today's market environment.

Fool contributor Andrew Button owns shares in TD Bank.

Daniel Da Costa: Peyto Exploration and Development

In the current market environment, with energy stocks having such a strong tailwind, my top stock to buy in March is **Peyto Exploration and Development** (TSX:PEY).

Natural gas has a tonne of growth potential, as we phase out dirtier fossil fuels, and Peyto is one of the lowest-cost producers in Canada, making it perfectly positioned to capitalize on this opportunity. The company has significant growth potential when prices rally and even pays an attractive dividend, which currently yields upwards of 5.6%.

Therefore, given the short-term tailwinds and the long-term growth potential, Peyto is one of the best investments you can make today and is, therefore, my top stock for March.

Fool contributor Daniel Da Costa has no position in any of the stocks mentioned.

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TICKERS GLOBAL

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4. NYSE:GIL (Gildan Activewear Inc.)
5. NYSE:MFC (Manulife Financial Corporation)
6. NYSE:MGA (Magna International Inc.)
7. NYSE:RY (Royal Bank of Canada)
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22. TSX:TD (The Toronto-Dominion Bank)
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24. TSX:TOU (Tourmaline Oil Corp.)

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