



## Have \$1,000? Split it Between These 2 Stocks Now

### Description

2022 is arguably the best year to get started with investing. All the hype from previous years is gone. Investors now have access to some [blue-chip stocks](#) at attractive valuations.

If you have a little spare cash, say \$1,000, here are the top two stocks I would deploy it in.

### Dollarama

Dollar stores are perpetually popular. After all, who can resist a bargain? However, these stores become much more essential during times of crisis.

In 2022, Canadian consumers are expecting a financial squeeze. The official inflation rate is around 5%. However, the price of food, fuel, and housing has been rising much faster than that headline figure. Unfortunately, this means the average household will need to cut back and look for cheaper alternatives for everything. That means more customers could turn to dollar stores like **Dollarama** ([TSX:DOL](#)).

Dollarama stock is already up over the course of the pandemic. The stock has nearly doubled since late 2020. If you zoom out, the performance is even more impressive. Dollarama has delivered a 1,994% return since 2009 — a compounded annual growth rate of 25.8% over 13 years.

If the company can sustain this pace of expansion, the stock could double within just a few years. At the moment, it's trading at 33 times earnings, which makes it an attractive bet. Keep an eye on this opportunity.

### Constellation Software

Canada's most successful enterprise software company also deserves a mention. **Constellation Software** ([TSX:CSU](#)) has delivered an impressive return over the past few decades. If you bet \$1,000 on this stock in 2006, you'd have \$115,350 in capital right now!

Over the past three decades, Constellation has focused on mid-scale and small-scale software companies. This year, they've expanded their universe of acquisition targets. Now, they're looking for bigger companies beyond niche software.

The company's recent acquisitions have included financial services, mortgage solutions, and healthcare systems. This broader universe of acquisition targets expands the long-term growth outlook for Constellation. If the strategy is successful, this company could be Canada's most valuable conglomerate by the end of the decade. That's why it deserves a spot on your list.

## Bottom line

A downturn isn't pretty. Investors collectively lose billions of dollars in market value when war, famine, or pandemics strike. This year we could be facing several crises simultaneously. The pandemic hasn't been resolved, food prices are escalating, and Russia is invading Ukraine.

Unsurprisingly, the stock market is pulling back. But if you have some cash and an appetite for risk, this could be the best time to invest. Deploying just \$1,000 in blue-chip stocks like Dollarama or Constellation Software could be an ideal first step to financial freedom over the long term. Good luck!

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:DOL (Dollarama Inc.)

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