



Invest for Stability: TSX Hits Record-High 22,000

Description

The movement of TSX stocks has been erratic this month, although the index posted record-highs in six consecutive trading days beginning on March 16, 2022. The new all-time high is 22,074.40 posted on March 22, 2022. When the index rose on the 16th, Brian Belski, chief investment strategist at **BMO** Capital Markets said, "Canada provides a home for stability."

Belski adds, "Equities can go up in lockstep with higher rates." His statements make sense because the [TSX outperforms U.S. stock exchanges](#). As of March 23, 2022, Canada's primary benchmark is up 3.34% year-to-date compared to the underperforming **Dow Jones** (-5.45%), **S&P 500** (-6.50%), and **NASDAQ** (-11.01%).

Strongest sectors

The strongest sectors so far this year are energy (+36.75%) and minerals (+21.34%). Both sectors are outperforming, notwithstanding the tight oil market, economic growth uncertainty, and rising interest-rates. Investors are moving toward crude oil and gold producers.

Baskin Wealth Management's chief investment officer, Barry Schwartz, said about the TSX, "It's concentrated in financials, energy, and commodities, and that's the place to be in this kind of market with rising rates and inflation and the potential for war escalation."

If you want to invest in one stock from each sector, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) and **Enbridge** ([TSX:ENB](#))([TSX:ENB](#)) should be on your [buy list](#). The companies are industry-leaders and safety nets amid the war and potential oil crisis.

New dividend policy

Barrick Gold is [holding ground](#), and at \$30.87 per share, investors are up 28.93% year-to-date. While the dividend yield is a modest 1.69%, the payouts should be safe and sustainable. Furthermore, would-be investors can expect more based on the recent pronouncements of the premier Canadian miner

through its executive chairman.

The \$54.92 billion company produces not only gold but also copper. Its executive chairman, John Thornton, said, "Barrick Gold is built on a foundation of six Tier One gold mines with rolling ten-year plans which secure the company's ability to generate substantial free cash flows for the next decade and beyond."

Thornton also disclosed a new dividend policy approved by the board. Starting in 2022, the dividend policy comprises a base dividend with an additional performance dividend linked to the net cash on the balance sheet. He adds, "We believe this will give our shareholders guidance on future dividend streams."

Dividend aristocrat

Enbridge needs no hard sell because the top-tier energy infrastructure company operates like a utility firm in a volatile sector. The dividend growth streak of 27 consecutive years should give investors the confidence to invest. Today, the dividend yield is a mouth-watering 6.08%. The share price of \$56.62 is worth it.

Three blue-chip franchises (gas distribution and transmission plus liquids pipelines) are critical channels for the delivery of essential conventional and low-carbon energy supply. The fourth, renewable power, is growing. According to the management, the organic growth potential from 2022 to 2024 is up to \$6 billion per year.

Enbridge is well-positioned to grow the business and cash flows through 2024. A \$3 billion to \$4 billion core capital allocation and revenue inflators are the cash flow growth drivers post-2024.

Remarkable resiliency

The TSX is showing remarkable resiliency in March despite the worsening situation in Eastern Europe. This year could be like 2016 when the Canadian index beat its U.S. counterparts.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:ABX (Barrick Mining)
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