



## The 2 Best Canadian Stocks to Buy in April 2022

### Description

March has been a wild month for Canadian stocks, and April likely won't be much different. As a result, it is important that investors continue to maintain [a balanced investment approach](#). In this choppy environment, having diverse exposure to different types of stocks in different sectors is crucial.

### A diversified portfolio of Canadian stocks is great way to hedge market volatility

Have some exposure to defensive value and [dividend stocks](#). As investors run to safety, these stocks have been outperforming in 2022.

Yet Canadian growth and technology stocks have declined significantly. There are some attractive bargains that can be found today. Any good news has seen these stocks rapidly rebound.

The market has been swinging largely on economic data, interest rate news, and the status of the Ukraine war. Any of these factors could abate or intensify, so it is crucial to have a well-diversified portfolio. Two stocks I would buy in April to balance all these factors are

- **TELUS** ([TSX:T](#))([NYSE:TU](#)) and
- **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)).

### TELUS: A top Canadian dividend stock

Canadian telecom stocks are a great defensive sector to own right now. Everyone needs data and cellular coverage, so they generally deliver solid, reliable cash flows and attractive dividend growth. In my opinion, TELUS is the best in this segment.

Over the past few years, TELUS has been investing heavily in its fibre optic network. This project is near completion and should position it well to roll out 5G as well. As a result, TELUS has been enjoying market-leading customer additions across its service. Once it completes its capital plan, this Canadian

stock should see free cash flow surge in 2023 and beyond.

TELUS is also fostering a number of interesting technology growth verticals in home automation/security, virtual health, and agriculture. These are faster-growing segments that could eventually be large businesses on their own. They could provide a nice value bonus for investors in the future.

This Canadian dividend stock is not exactly cheap today. However, it has pulled back 5% from recent highs. TELUS has a great history of growing its dividend by around 8.5% a year. Today, it yields a 4% dividend. For stable capital growth and outsized dividend growth, this is a great defensive stock to own.

## BRP: Growth at a reasonable price

BRP manufactures some of the most well-known brands when it comes to watercraft, all-terrain/off-road vehicles, and snowmobiles. Its brands include Ski-Doo, Sea-Doo, and Can-Am.

The company has an excellent track record of delivering strong investor returns. Over the past five years, this Canadian stock has delivered a 252% total return (28% annualized). It just came out with impressive [fiscal 2022 year-end results](#). Despite the pandemic and supply challenges, it still managed to grow revenues, EBITDA, and earnings per share by 28.5%, 46%, and 84%, respectively.

The company issued a robust outlook for 2023 and the market reacted positively. This year, it has announced several attractive new products, including an electric motorcycle. Consequently, it has multiple levers for growth. Supply chain issues remain a challenge, but new production capacity and an innovative dealer-install model are helping to alleviate this.

Since its earnings, this Canadian stock is up 17%. Despite that, it still trades for a very attractive 10 times earnings. For growth at a very reasonable price, BRP is a top stock pick for April 2022 and beyond.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:DOOO (BRP Inc.)
2. NYSE:TU (TELUS)
3. TSX:DOO (BRP Inc.)
4. TSX:T (TELUS)

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