



Canadian Stocks: Here's How to Beat a Volatile Market

Description

In this market environment, it's extremely easy to get caught up in fear, as stocks sell off rapidly and constantly change directions. However, when volatility creeps into markets, it's one of the best opportunities to buy Canadian stocks.

When all stocks are getting cheaper, some may understandably be worth less than they were before as the risk in markets increases. However, other high-quality Canadian stocks that are reliable businesses probably shouldn't be trading so cheaply.

So, it's up to investors to keep a level head and a long-term outlook in order to decide which stocks are genuinely undervalued and which to stay away from in the selloff.

In reality, the best way to outperform during a market selloff is to start [preparing for one ahead of time](#). No one can actually predict when these pullbacks are going to happen. All we know is that at some point, they will eventually materialize.

However, now that we are in the midst of significant market volatility and stocks have been selling off, here's what you should do today to ensure that you can beat the market and find high-quality Canadian stocks to buy while they are cheap.

Here's how to use market volatility to your advantage and buy high-quality Canadian stocks

In order to ensure that your portfolio can perform well through market volatility and isn't severely impacted, it's crucial to have a tonne of discipline. In addition, it's paramount to ensure that the Canadian stocks you own are the highest-quality companies.

Owning the very best stocks in Canada is crucial, because these companies should be able to handle the current economic environment better than many of their peers.

[Inflation](#) and supply chain issues are just two of the many factors impacting businesses today. But the

best Canadian stocks in the best industries will continue to find ways to overcome these impacts. Some will even use them to their advantage.

Secondly, it's crucial to own high-quality companies so that you can be comfortable and have confidence in your portfolio. Just as any market volatility is impossible to predict ahead of time, so is where the market could go from here.

The last thing you want to do is sell in this environment, but, often, natural impulses will cause investors to sell anyway. If you own high-quality companies that you are confident in, though, it can significantly help you to reduce the urge to want to sell. Instead, you'll be welcoming these environments as some of the best opportunities to buy.

Here's an example of a highly dependable stock you can buy for your portfolio

To find high-quality stocks that you can have confidence in, it is key that their operations are defensive and they have high-quality businesses with competitive advantages. That's why one of the best and safest Canadian stocks to consider is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)).

Enbridge is a massive and well-diversified energy infrastructure stock, giving it a tonne of importance to our economy and making it naturally defensive. However, its qualities go well beyond that.

Pipelines in general have a tonne of barriers to entry, as it's expensive and difficult to get the regulations necessary to build new ones. In addition, pipelines and many other energy infrastructure assets that Enbridge owns can last for years and require little maintenance, which allows Enbridge to bring in tonnes of cash flow.

This is why it's one of the best Canadian stocks to buy. Because it brings in so much cash, it pays a highly safe and growing dividend, which currently yields upwards of 6%. In addition, it has capital left over to continue investing in new opportunities.

Therefore, when you own high-quality stocks like Enbridge, it's not concerning if the price falls during a broader market selloff. And if you're ready for these pullbacks and have cash ready to invest, it can be a great opportunity to add more shares at a discount, capturing more value and locking in an even higher dividend yield.

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