Time to Be Greedy: 2 TSX Stocks to Buy as the Market Drops

Description

The selloff that began in late April has continued right through the first two weeks of May. After trading flat for most of the year, the **S&P/TSX Composite Index** has dropped close to 10% in fewer than four weeks. It's been a staggering drop that has reminded us of the COVID-19 market crash, which happened not long ago.

There are enough storylines in the stock market right now to cause the market's recent volatility. From spiking inflation to heated global tensions, it's not a surprise to witness all the uncertainty in the stock market today.

Now's the time long-term investors should be buying

For myself, the extreme levels of volatility this year have reminded me why I'm a long-term investor. It's difficult enough to predict short-term performance in the easiest of years. Good luck to anyone trying to predict where the market will be trading by the end of 2022, let alone the end of the month.

Because I'm not planning on selling my holdings for decades to come, I'm looking to put as much money available to me in the stock market right now. The market may continue to sell off, but that's fine with me, since I'm not in a rush to sell.

I've reviewed two TSX stocks that are at the top of my own watch list today. I'm a shareholder of one of these companies already but will likely be adding to my position very soon.

TSX stock #1: Brookfield Renewable Partners

The renewable energy sector has been largely underperforming the Canadian market for more than a year now. Since early 2021, many top green energy stocks, including **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP), have seen share prices gradually decline.

I firmly believe that we're still largely in the early days of the expansion of renewable energy. I'm betting that we're only going to see demand for green energy services continue to grow for decades to come.

Despite slowly declining since early 2021, shares are still up close to 100% over the past five years. In comparison, the Canadian stock market has returned less than 30%.

And on top of market-beating returns, the TSX stock pays a respectable dividend that's currently yielding just over 3.5%.

There aren't many dividend stocks on the TSX yielding upwards of 3% that can match Brookfield Renewable Partners's track record of market-beating gains.

With shares currently trading 15% below 52-week highs, I'm ready to pull the trigger and add to my position.

TSX stock #2: Kinaxis

Alongside many other high-growth tech stocks, **Kinaxis** (TSX:KXS) has seen its stock price get slashed in a very short period of time. The tech stock has lost more than 40% in value since last November.

Even with the recent drop, though, Kinaxis isn't exactly cheap from a valuation perspective. Investors are banking on many more years of market-beating growth, which is why the TSX stock is still priced at a premium.

The tech stock is a nine-bagger since going public in 2014. And with the company still only valued at a market cap of less than $5 billion, Kinaxis has plenty of room to grow.

If you're comfortable with the volatility, this growth stock is worth serious consideration while it's trading at these prices.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:KXS (Kinaxis Inc.)

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