



## Canadian Stocks to Buy: 3 Sectors Offering the Best Value

### Description

With so many Canadian stocks selling off lately, many investors are using the opportunity to add to their portfolios while there is so much value to find. Several of the best Canadian stocks are trading the cheapest they've been in years, making now the time to buy.

Because nearly the entire market has been selling off, though, you may be wondering where to find the most value. So, here are three of the best sectors to find the top Canadian stocks that are worth a buy today.

### **Tech stocks are some of the best investments for Canadian investors to buy now**

There's no question that if you're looking for value and want to buy some of the best Canadian stocks while they trade cheaply, tech stocks are some of the best to focus on.

Many tech stocks started selling off in late 2021, and that selloff has continued throughout 2022.

The reason tech stocks have sold off is that these high-growth stocks become less attractive as interest rates rise, especially due to the higher risk they typically have. Therefore, even if tech stocks continue to perform well and grow their sales and income, valuation metrics have consistently been compressed, leading many stocks to trade [ultra cheap](#).

These valuation metrics will likely stay low for some time. However, eventually, when the market recovers and the environment is more accommodating for growth stocks, you can be sure that their valuations will increase once again. Therefore, if you're looking to find the best Canadian stocks to buy now, tech is one of the first sectors I'd focus on.

## There are some incredible deals in real estate for long-term investors

In addition to tech, another industry that's been severely impacted by rapidly rising interest rates is real estate. Many real estate stocks have a tonne of debt, which they use to acquire properties. When interest rates increase, though, it could now weigh on their ability to grow in the near term. Furthermore, in some cases, it can even begin to hurt margins. That's not all, though.

Residential real estate stocks have also been selling off significantly, as many analysts warn that housing prices could fall, which would impact the entire residential market.

So, with many real estate stocks selling off, they are certainly some of the best stocks for Canadian investors to buy now. If you can find a high-quality real estate fund that you're happy to own for the long haul, buying today at a discount is an incredible opportunity.

Therefore, if you're looking for value and stocks that can provide attractive [yields](#) and, in many cases, consistently growing yields, then real estate is a sector I'd be focused on.

## Consumer discretionary stocks have come under pressure this year

Lastly, another industry where you can find some of the best Canadian stocks to buy is consumer discretionary. With inflation impacting Canadians' budgets, typically that means a slowdown in consumption of non-essentials or discretionary items.

Therefore, it's no surprise to see several consumer discretionary stocks selling off, including some of the highest-quality businesses in Canada.

For example, a stock like **Aritzia** ([TSX:ATZ](#)) has been an impressive growth stock for years. And despite its last two earnings reports showing it continues to perform well, the stock has sold off by roughly 35% from its high.

Investors are concerned that Aritzia could be temporarily impacted by a slowdown in discretionary spending by Canadians. However, even if that were to be the case, the impacts would only be temporary. Furthermore, a roughly 35% discount for Aritzia shares is an incredible deal.

In fact, right now, the stock's average target price from analysts is roughly \$60 — a more than 60% premium to today's trading price.

Therefore, if you're looking for the best Canadian stocks to buy now, Aritzia, and other high-quality consumer discretionary stocks, trading at a discount will be some of the top investments to consider.

### CATEGORY

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