



Top TSX Stocks to Buy for Beginners Amid a Market Correction

Description

The selloff gained steam after fears of steeper rate hikes came in this week. While markets could continue to trade volatile for the next few months, some names offer attractive investment propositions at current levels. Here are three top TSX stocks for long-term investors.

Nutrien

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) seems quite well placed, as the world sees a paradigm shift in the energy and fertilizer landscape. It is the biggest producer of potash globally, which has seen a significant price jump this year, thanks to the war in Europe.

As the global fertilizer supply chain faces more bottlenecks, Nutrien has a spare capacity and is positioned to increase its production going forward. It recently confirmed its plans to ramp up its annual potash production to 18 million by 2025.

So, higher demand, much higher production, and record prices will likely boost Nutrien's top line and improve margins. Moreover, with no end in sight to the Russia-Ukraine war and supply chain scenarios getting worse, fertilizer prices will likely continue to trend higher. Interestingly, NTR stock has fallen 25% since last month amid broad market pressures and profit booking.

It is currently trading 11 times its earnings and looks [undervalued](#). So, strong earnings growth prospects and undervalued stock will likely create meaningful shareholder value in the next few years.

Canadian Natural Resources

The entire energy sector has been in a sweet spot for the last few years and is expected to remain strong this year. So, how should you place a bet within the sector?

I think Canada's biggest **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) looks strong in the current environment. And there are several reasons to back it. Its scale, stable dividends, and low

breakeven point make it a strong bet.

CNQ stock has returned almost 90% in the last 12 months, standing tall among Canadian bigwigs. And even if the energy cycle reverses, probably late in 2022 or early next year, Canadian Natural will likely continue to trade strong.

It currently yields a decent 3.4% and offers a steep dividend-growth potential. It will be interesting to see how its Q2 2022 free cash flows helped its deleveraging efforts. A strong balance sheet and superior free cash flows will likely drive total returns going forward.

Enbridge

Canada's top midstream stock **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is trading close to its five-year-high levels. While oil and gas prices do not really directly boost energy midstream stocks, the overall sentiment around the sector has been quite constructive.

ENB stock has returned 25% in the last 12 months. If you are looking for regular passive income, ENB should be on top of your watchlist. That's because Enbridge is one of the top-yielding stocks on the TSX. It pays a stable dividend and yields nearly 6%.

Unlike oil and gas production companies, Enbridge operates a low-risk business model and has fair earnings visibility. So, even if energy prices tumble or touch the skies, its cash flows are stable, driven by rate-regulated, long-term contracts. So, for investors seeking reliable dividends with relatively less volatile stock, ENB could be an apt bet for you.

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:NTR (Nutrien)
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