2 Top Canadian Stocks to Buy Right Now

Description

The Canadian stock market has been in the throes of substantial volatility in recent weeks. The **S&P/TSX Composite Index** is down by 15.29% from its 52-week high at writing. Energy prices are down but substantially higher than last year. The red-hot inflation does not appear to be going away soon, and the series of interest rate hikes to control it are leading to fears of recession.

Investing in the stock market might not appear to be the safest way to make use of your money if you are a risk-averse investor. People new to stock market investing might be even more unsure about whether to invest at all. However, there are a few stocks for beginners you could consider adding to your portfolio if you want to use the downturn as an opportunity to purchase high-quality stocks for a discount.

The current downturn in the market could be the perfect opportunity to invest your money in the stock market for stable and long-term returns. I will discuss two such **TSX** stocks that you should have on your radar if you are searching for safe bets.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a $28.64 billion market capitalization utility holdings company that owns and operates several utility businesses across Canada, the U.S., Central America, and the Caribbean. It generates its revenues through its long-term contracted and rate-regulated assets, providing electricity and natural gas utility services to around 3.4 million customers.

It means that the company generates stable and predictable cash flows, regardless of the broader market environment.

Fortis stock trades for $60.05 per share at writing, and it boasts a 3.56% dividend yield. It is down by a meager 2.42% from its 52-week high, a considerably better performance than the broader market. Its stability due to predictable cash flows translates to the possibility of safer returns through shareholder dividends.

The Canadian Dividend Aristocrat has a 48-year streak of increasing its dividend payouts. It could be an attractive long-term investment for beginner investors looking for strong foundations for their self-directed portfolios.

TransAlta Renewables

TransAlta Renewables (TSX:RNW) is a $4.45 billion market capitalization renewable energy company that could be attractive to long-term investors. Rising concerns about climate change have led to a growing emphasis on the need for greener alternatives to traditional energy sources, making TransAlta Renewables an exciting prospect for stock market investors.

The company is in the business of acquiring, developing, and operating various renewable energy facilities.

TransAlta Renewables stock trades for $16.69 per share at writing, and it boasts a juicy 5.63% dividend yield. It is down by almost 26% from its 52-week high, making it an attractive investment to consider for its upside potential alone.

The fact that it pays its high-yielding dividends in monthly distributions could also make it a good addition to your investment portfolio. Combined with the possibility of stellar long-term capital gains, TransAlta Renewables stock could be a solid investment to consider for your portfolio.

Foolish takeaway

Despite the recent most interest rate hikes by central banks, the inflationary environment will take some time to cool off. Rising energy prices could drive inflation higher, prompting further interest rate hikes. Inflation calming down could see markets rally again and reach better valuations across the board.

A few high-quality stocks look well positioned to make a quick recovery when the situation calms down and deliver stellar long-term growth to investors. If you are new to investing in the stock market and want to add safer assets to your portfolio, Fortis stock and TransAlta Renewables stock could give you a good combination of shareholder dividends and capital gains for wealth growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:RNW (TransAlta Renewables)

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