Buy the Dip: 3 TSX Stocks to Buy Today and Hold for the Next 3 Years

Description

Here at the Motley Fool, we tend to aim for long-term holds. A long-term hold is one of the **TSX** stocks that you'd want to hang onto for the next five to 10 years. So when I start talking about TSX stocks to hold for three years, there's a reason behind it — above average growth prospects over the medium term.

Today, that's what I'm going to be recommending — three stocks Motley Fool investors can buy up and hold for three years if they want stellar returns. You can always choose to sell them and put your money elsewhere, or keep holding in hopes of more stellar growth. So here are the options.

Open Text

I actually like **Open Text** (TSX:OTEX) as a long-term hold as well, but it's bound to be one of the TSX stocks to explode in the next three years. Shares of Open Text are currently down 15% on the TSX today. That's a bigger decline than that of the TSX, which is down 13% as of writing.

The reason I like Open Text is because it's definitely a strong consideration to buy on the dip. This dip is pretty much all because of the drop in tech stocks. Open Text has partnerships with major companies, including **Alphabet** for its cloud-based data and cybersecurity system. Tech isn't going anywhere, so now is the time to pick up this company and watch it soar in the next three years.

The share price of Open Text has gone up 390% in the last decade for a compound annual growth rate (CAGR) of 17.22%.

Magna International

Another sector that's bound for huge growth among TSX stocks is electric-vehicle (EV) companies. However, what if you could see growth even before the world was solely sold on EVs? That's what you can get with **Magna International** (TSX:MG). The car manufacturer creates parts for car companies across North America, EV or otherwise.

In the next decade shares are bound to explode, especially in the next three years when we get through this bear market. And yet shares of Magna are down a whopping 26% year-to-date! That puts its stock in value territory, now trading at just 13.57 times earnings. Further, you can lock in a 3.16% dividend yield.

Shares of Magna stock are up 350% in the last decade for a CAGR of 16.22%.

TD Stock

Finally, the Big Six Banks are superb long-term holds. I'm not going to deny that. But in the next three years there is going to be a major boost. Financial institutions don't do well during a recession, but the Canadian Big Six Banks sure do. And that is especially true of the **Toronto-Dominion Bank** (TSX:TD).

Why? Because this bank has been one of the biggest growth stories among the Big Six. That's because the company offers a slew of loan options; do-it-yourself banking; and growth in the United States, and in the wealth and commercial management sector. You get a 4.51% dividend yield, and can buy the stock today at a price of just 9.94 times earnings.

Shares of TD stock are down 15% among TSX stocks, but up 194% in the last decade. That's a very respectable CAGR of 11.4%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:MG (Magna International Inc.)
2. TSX:OTEX (Open Text Corporation)
3. TSX:TD (The Toronto-Dominion Bank)

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