My 3 Favourite TSX Stocks Right Now

Description

It's a complicated time for the markets right now. Growth stocks are not in fashion, but there are multiple bargains to be sought in that space.

Despite the volatility in the equity market, you should remain invested, as it's impossible to time the bottom. Keeping this in mind, here are my three favourite TSX stocks you can consider buying right now.

Enbridge

If you love passive income, **Enbridge** (TSX:ENB)(NYSE:ENB) is a must-have in your portfolio. This midstream company has a forward dividend yield of 6.36%. The company has increased its yield for 27 straight years, which makes it a Dividend Aristocrat. The average annual dividend increase in the last 10 years is almost 10%.

Enbridge has seen its share of recessions and inflations, and this hasn't affected its dividend payout. In fact, it generates excess cash flow of around $2 billion more than its requirements (dividend payments and capex), which is used for share buybacks.

The company is a transporter of oil and natural gas, and it functions on volume rather than energy prices. A majority of its cash flows are backed by long-term contracts, making it a top bet in 2022.

MDA

MDA (TSX:MDA) is a hidden gem operating in the space tech sector. This company has been around for five decades, but its time has finally arrived. MDA's sales have risen from $394 million in 2020 to $477 million in 2021. In 2022, MDA forecasts sales between $750 million and $800 million, representing an increase of 67% at the higher end of its guidance.

MDA said that around 75-85% of the guidance growth is already secured. At the end of Q1, the company had an order backlog of $1.52 billion. It's no wonder MDA emphasized it can hit $1.5 billion in annual sales by 2025. Further, the management expects to maintain EBITDA (earnings before interest, tax, depreciation, and amortization) at 19-20%.

MDA stock closed July 16 at $7.55, and the average target price for the stock is $13.5 — a potential upside of almost 79%. This stock could be a multi-bagger for long-term investors.

Shopify

Shopify (TSX:SHOP)(NYSE:SHOP) has been one of the worst performers in the stock market this year, losing over 72% so far. The tech stock is scheduled to announce its Q2 earnings on July 27, and there is a high chance that its growth in 2022 will be slower compared to 2021.

That doesn't deter me. Shopify earns around 29% of its revenue from subscriptions. The remaining 71% comes from the fees that Shopify charges for every transaction on its platform. It means that as e-commerce sales keep growing, Shopify's take will expand proportionally as well.

With 32 million small businesses in the U.S. (and a lot of them will have to come online sooner than later if they want to just survive), the potential is immense.

Despite its massive pullback, Shopify stock has returned over 1,000% to investors since its IPO in May 2015. SHOP stock is valued at 8.7 times forward sales, which is still expensive. However, its also trading at a discount of over 150%, given consensus price target estimates.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:MDA (MDA Ltd.)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. araghunath
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date
2025/08/25
Date Created
2022/07/24
Author
araghunath