



2 Stocks to Buy This Month

Description

Whether you're a seasoned pro or [new to investing](#), there's never been a better time to seek out some real value buys. Let's look at two stocks to buy this month for your portfolio.

Wait... what about all that volatility? And that talk of a recession?

All of that market turbulence is still there. But what many don't talk about is the opportunity that has emerged from that volatility. Warren Buffet is known for his inspirational, if not brilliant quotes. One that perfectly defines the current market sentiment is, "Be fearful when others are greedy, and greedy when others are fearful."

Forget about being a landlord in the traditional sense

Interest rates are on the rise. After rising a full percentage point earlier this month, most pundits see further hikes coming before the end of the year. Those hikes are primarily used to target soaring inflation, which topped out at 8.1% in June.

Rising interest rates are also going to cool Canada's white-hot real estate market, making it more expensive for prospective homebuyers. Home prices have already dropped for three consecutive months as a result of the hikes.

That being said, there's little recourse for prospective homebuyers and would-be landlords. The average salary needed to qualify for a mortgage (with a whopping 20% down) in Vancouver and Toronto is now north of \$200,000.

Fortunately, there is another option. **RioCan Real Estate** ([TSX:REI.UN](#)) is an intriguing alternative stock to buy this month. RioCan is one of the largest REITs in Canada, with a massive portfolio of over 200 properties.

The bulk of those properties are within the commercial and retail sectors, but that makeup has shifted in recent years. Well-placed residential properties now make up a growing portion of that mix. This is a

unique option for would-be homeowners who are priced out of the market and do not fancy a long commute.

As an investment, RioCan's far-reaching and well-diversified portfolio is very appealing. It's also considerably less risky than owning a single rental property and comes without a mortgage or down-payment requirement. That factor alone makes it one of the stocks to buy this month, but there's still more.

Turning to income, RioCan boasts a monthly distribution that works out to a yield of 5.08%. This means that a \$40,000 investment (one-fifth of what is a typical down-payment) will provide a monthly income of nearly \$170.

Finally, let's not forget the undervalued opportunity – RioCan is down year-to-date by over 11%.

Buying a low-risk stock with a century of dividends

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is one of the stocks to buy this month that should be on the radar of not only the greedy but also practical long-term investor. Telecoms are excellent long-term investments and offer stable, recurring income potential wrapped in a defensive package.

In the case of BCE, apart from its core subscription business (more on that in a moment), the company also boasts a massive media segment. That segment encompasses radio and TV stations that are complementary to BCE's core subscription business.

Since the pandemic started, BCE's core subscription offerings have only grown in importance. Specifically, remote working and learning options have elevated the need for a fast and stable internet connection to one of necessity. The same could be said of the growing importance of a mobile data connection.

Both add to an already overwhelmingly defensive investment. And that's not even the best part.

BCE has been paying out a handsome dividend without fail for well over a century. The company has also provided generous annual upticks for well over a decade. The current yield works out to a juicy 5.83%.

This means that a similar \$40,000 investment in BCE will generate an income of over \$2,330 in the first year alone. This factor alone should push BCE near the top of any list of stocks to buy this month.

Like RioCan, BCE's stock price has retreated this year. The stock is down just over 4% year-to-date.

What will you do with these stocks to Buy this Month?

No investment is without risk. That certainly stands true during volatile periods like we're seeing now. Fortunately, both BCE and RioCan are great long-term options for any portfolio that also offer some defensive appeal.

In short, buy them, hold them and watch your portfolio grow.

CATEGORY

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2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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