



2 Bargain Stocks You Can Buy Today and Hold Forever

Description

After a serious [market correction](#) in 2022, there are plenty of stocks trading at a bargain. Nobody knows when the bear market will reverse. There are already signs of some recovery. Yet there is still lots of bad economic news that the stock market is digesting. Inflation is soaring and rates keep rising to combat it.

That is why investors need to be *investors*. By that I mean investors need to think long term and act like business owners, not gamblers or speculators. A business owner doesn't buy and sell their business every day or every month or every year. Rather, they invest in it and patiently hold it while it builds value and grows profits.

Stocks in great businesses build wealth over the long term

This can take years to accomplish. Yet over long periods of time, stocks in great businesses can build a lot of value and wealth for their shareholders. That is why acclaimed investor Warren Buffett once said, "If you aren't willing to own a stock for 10 years, don't even think about owning it for 10 minutes."

Mr. Buffett built most of his wealth by buying great businesses with smart managers at fair prices and then waiting. You can do the same, but (like Warren Buffett) it will take time, a long-term perspective, and *a lot* of patience.

Two [Canadian stocks](#) that I would like to own for 10 years or even beyond (forever), are **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)) and **TFI International** ([TSX:TFII](#))([NYSE:TFII](#)). Both these stocks have delivered remarkable returns over the years. Both are trading at attractive valuations today.

BRP: A top discretionary stock for the long term

I once heard BRP referred to as the **Apple** of motor sports and recreational vehicles. This company is incredibly innovative, and it has influential, dominant brands like Sea-Doo, Ski-Doo, and Can-Am.

This company has delivered great returns over the years. Despite being down 14% this year, it still earned a 135% return over the past five years (18.7% compounded annually).

The market has been worried about a slowdown in discretionary spending. Consequently, the stock has pulled back, and it only trades with a price-to-earnings (P/E) ratio of eight and a price-to-free cash flow ratio of 12! Its closest peers trade at a premium valuation to that, even though BRP has operationally and financially outperformed them.

It has a long runway of new innovative products that should continue to expand its market share. This stock is a top dog in a growing market and is a value-priced growth stock to buy now.

TFI International: A growth stock in a boring industry

TFI International has become a logistics leader in Canada and North America by consolidating small and large courier and transport businesses. In fact, since 2008 it has acquired more than 100 companies. Over that time, it has earned shareholders a 1,560% total return (or 22.2% compounded annually).

It just announced solid [second-quarter results](#). Adjusted net income per share grew 81% to \$2.61 and free cash flow jumped 16% in the quarter. With that spare cash, TFII has been aggressively buying back stock. Last quarter, it increased its quarterly dividend 17% to \$0.23 per share. It also purchased \$211 million worth of shares.

Despite a great record of growth, TFII is a bargain at 13 times earnings and 10 times free cash flow today. Its stock is down 14.5% this year, so now is a great time to buy this quality stock for the long term.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

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2. NYSE:TFII (TFI International)
3. TSX:DOO (BRP Inc.)
4. TSX:TFII (TFI International)

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