



## 2 TSX Stocks to Buy in August 2022

### Description

August is a strategically important month, as the United Kingdom elections heat up and natural gas tensions aggravate in Europe. While several areas of Europe face heat waves, there are concerns about the winters. Russia has reduced natural gas supplies to Europe, and Germany could implement [the emergency gas plan](#) if the supply of Russian gas ceases. This could cause natural gas prices worldwide to shoot up during winters. The early signs of growth are already visible.

### One dividend stock set for growth in August

**Canadian Utilities** ([TSX:CU](#)) stock surged 13.5% since June 20 — a steep hike for an energy stock. **Suncor Energy** witnessed such a jump in 2021. Canadian Utilities has significant natural gas production, transmission, and storage assets. Although it has assets in Canada and Australia, it will benefit from rising natural gas prices in Europe.

Now is a good time to buy Canadian Utilities stock, as the second half is seasonally strong. Heating homes in winter increases energy consumption, and with natural gas prices rising, the upcoming growth could be one of its highest.

I expect the stock to grow 10-15% in the second half. By buying Canadian Utilities stock in August, you can lock in a dividend yield of over 4% for a lifetime while enjoying natural gas price rally.

### An ETF that invests in growth stocks

While energy is still the favourite investment of 2022, there is an [ETF](#) that invests in stocks that are shaping the future and have secular growth trends. **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)) has holdings in 25 TSX tech stocks. Although the TSX has limited tech stocks trading on the exchange, names like **Constellation Software** ([TSX:CSU](#)) and **Descartes Systems** have grown investors' money 10-fold in the long term.

The global market witnessed a tech bubble burst this year, as hedge funds exited their tech positions

ahead of interest rate hikes by central banks. Many analysts compare the current situation to the 2000 dot.com bubble when several tech stocks reached a peak price they couldn't achieve, even after 21 years.

As a beginner, you might be in a dilemma trying to determine which beaten-down tech stock could become the next **Apple** or **Amazon**, whose growth is not dependent on a bubble. An easy way for beginners to get exposure to tech stocks is through the XIT ETF. For less than \$35 per unit, you get exposure to the price momentum of Constellation and **Shopify**, which make up 50% of the ETF's holdings.

## Why buy tech ETF in August?

The XIT ETF has dipped 40% from its pandemic high of over \$57 and returned to the 2019 level. This doesn't mean the ETF will return to the \$57 high. That high was driven by Shopify's stock price rally. But the ETF can deliver its average growth rate of 20% when the economy recovers. This time, the ETF's recovery could be driven by Constellation and **CGI**.

Constellation stock surged 20% since June 20, as the company took advantage of the tech selloff to accelerate its acquisition activities. CGI stock jumped 12% during this time, as more companies move to digitization during a looming recession. Moreover, the pandemic has created a new trend of working from anywhere. More companies are adopting this trend, and that needs the digital infrastructure CGI provides.

The XIT ETF has many growth stocks in its arsenal that can flourish when the economy recovers. For instance, Descartes stock could jump, as concerns around the global supply chain ease.

## An investing tip

In the current market environment, the above stocks present growth opportunities. But the short term is volatile, and your stocks could push your portfolio to losses. At times like this, all you need to do is hold on. An ETF diversifies your risk while giving you exposure to price changes. The overall tech sector will revive with the strongest players.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

### 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. kduncombe
2. pujatayal

#### **Category**

1. Investing
2. Stocks for Beginners

#### **Date**

2025/08/13

#### **Date Created**

2022/08/01

#### **Author**

pujatayal

default watermark

default watermark