



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

Description

Throughout the year, long-term investors have had an incredible opportunity to buy the dip and find top **TSX** stocks to add to their portfolios.

While it's not surprising to see stocks selling off given all the headwinds in the markets, long-term investors also understand that buying low today and exercising patience can create a significant opportunity.

At the very least, you can find high-quality stocks to buy now and sell a few years down the road when market conditions have improved. However, you also have the opportunity to find the very best stocks trading undervalued, companies that you can buy and hold forever.

So while these stocks still offer compelling discounts, it's crucial to take advantage of the opportunity. And of all the TSX stocks trading cheaply today, here are three of the best to buy now.

A top Canadian retail stock

There's no question that if you're looking to buy the dip, one of the best TSX stocks to consider today is **Canadian Tire** ([TSX:CTC.A](#)). Canadian Tire has always been a solid company, but in recent years it's been firing on all cylinders.

The company's portfolio of different brands and banners offers attractive synergies, and its well-diversified operations help to lower risk. The omnichannel retailer has turned into a multi-category killer posting a revenue increase of 15.5% to \$3.8 billion in Q1 2022 over the year-ago period, following 10 consecutive years of revenue growth.

The strong revenue contributed to a 16.7% increase in earnings to \$216 million. Over the next two years, both its sales and profitability are expected to continue growing, despite the economic uncertainty and headwinds in retail caused by sky-high inflation.

The stock has proven to be a high-quality growth stock over the last few years and continues to have a

tonne of potential going forward. So with Canadian Tire trading at just 8.9 times its forward earnings, considerably lower than its five-year average of 12 times, there's no question it's one of the top TSX stocks to buy on the dip today.

One of the best defensive growth stocks to buy on the TSX

Another high-potential TSX stock that you can get a great discount on if you buy the dip today is **GFL Environmental** ([TSX:GFL](#))([NYSE:GFL](#)).

GFL is one of the largest environmental services companies in North America, giving it a dominant position in an industry that's incredibly defensive.

The stock has been growing by acquisition for years, making it an outstanding investment due to its mix of growth potential and reliability.

Last week GFL reported earnings for the second quarter of 2022, and the company's adjusted [EBITDA](#) beat expectations considerably. Not only that, but its adjusted EBITDA was also up 34% year over year and showed that even in this uncertain and highly inflationary economic environment, a defensive stock like GFL can continue to expand its operations.

So while GFL continues to trade cheaply, undoubtedly, it's one of the best TSX stocks to buy now.

A top long-term investment trading ultra-cheap

Lastly, many real estate stocks have sold off considerably and offer great deals, particularly ones that previously traded with growth premiums. That's why **InterRent REIT**([TSX:IIP.UN](#)) is one of the top TSX stocks to buy while it's still undervalued.

The REIT has consistently increased value for unit holders in addition to constantly increasing its distribution each year.

InterRent does this by acquiring assets and new properties at values it deems to be attractive, which helps to expand its portfolio. However, it will also use capital to invest in renovations when it believes it can grow the value of the property meaningfully.

This has led to its revenue and funds from operations increasing by 90% and 172%, respectively, in just the last five years alone.

So while InterRent trades more than 25% off its highs, it's undoubtedly a TSX stock worth a closer look.

CATEGORY

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1. NYSE:GFL (GFL Environmental)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)

3. TSX:GFL (GFL Environmental)
4. TSX:IIP.UN (InterRent Real Estate Investment Trust)

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