3 TSX Stocks That Are Actually Beating the Market

Description

Energy continues to be the top-performing sector on the **TSX**. On August 12, 2022, its year-to-date gain rose to 42.44% following a broad-based rally. The year-to-date loss of Canada's primary stock market also shrunk to 4.91% after closing above 20,000 points for the first time since early June this year.

However, investors shouldn't focus on energy stocks alone. Stocks like **Dollarama** (TSX:DOL), **Richie Bros. Auctioneers** (TSX:RBA)(NYSE:RBA), and **Quebecor** (TSX:QBR.B) aren't oil companies, yet they're actually outperforming the market. The three stocks are also suitable for income investors because they pay dividends.

Consumer discretionary

Dollarama in the consumer discretionary sector is resilient as ever. The $22.97 billion company is an iconic value retailer in Canada. At $79.25 per share, current investors are ahead 25.47% year to date. They also partake of the modest but safe 0.27% dividend.

According to its president and chief executive officer (CEO), Neil Rossy, the lifting of COVID restrictions in the first quarter (Q1) of fiscal 2023 resulted in a double-digit increase in customer traffic. Management also noted the strong customer demand for affordable, everyday consumables, and seasonal goods.

In the three months ended May 1, 2022, sales increased 12.4% to $1.07 billion versus Q1 fiscal 2022. Net earnings jumped 28.1% year over year to $145.5 million. Rossy said, "Our strong performance across key metrics in the first quarter reflects the relevance of our business model and positive consumer response to our value proposition in a high-inflation environment."

Dollarama is a defensive asset and an inflation buster. Rossy emphasized that the business and operations of the company plays a unique role in the lives of Canadian consumers.

Industrial

Richie Bros. Auctioneers stands out in the industrial sector with its 18.63% year-to-date gain. The stock's performance is quite surprising, given the massive headwinds, particularly inflationary pressures. It has advanced 4.07% in the last five days to $91.08 per share. If you invest today, the dividend yield is 1.54%.

The $10 billion global asset management and disposition company is a leader in the Auction and Valuation Services industry. It offers end-to-end solutions for buying and selling used heavy equipment, trucks, and other assets. In the first half of 2022 (six months ended June 30, 2022), operating income increased 142% compared to the same period in 2021.

Moreover, net income attributable to stockholders soared 160% year over year to US$231.46 million. Ann Fandozzi, CEO of Ritchie Bros., said the company will continue to invest in local yards, sales coverage, and services to accelerate the top line while advancing its marketplace technology.

Communications services

Quebecor made headline news last week following the announcement of a definitive agreement with **Rogers Communications** and **Shaw Communications**. The pact of the parties is the $2.85 billion purchase of Shaw's Freedom wireless business by Quebecor.

Pierre Karl Péladeau, Quebecor's president and CEO, said, "We are very pleased with this agreement, and we are determined to continue building on Freedom's assets. Quebecor has shown that it is the best player to create real competition and disrupt the market."

Besides the 5.04% year-to-date gain, the $6.84 billion telecommunications company pays an attractive 4.28% dividend. The current share price of $29.38 is also a good entry point.

Solid choices

Investors should diversify and consider buying non-energy stocks. Dollarama, Richie Bros., and Quebec are solid investment choices.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:DOL (Dollarama Inc.)
3. TSX:QBR.B (Quebecor Inc.)
4. TSX:RBA (Ritchie Bros. Auctioneers)

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