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

Description

Editor's note: Valuation metrics and dividend data have been corrected for Canadian Tire. The correct figures are below.

The **S&P/TSX Composite Index** climbed 187 points to close out the previous week on Friday, August 12. Canadian markets have bounced back nicely in the second half of July and the first half of August. However, there are still many TSX stocks that have not rebounded from the volatility that plagued the late spring and early summer. Today, I want to look at three equities that are worth buying on the dip and hanging onto in the years ahead. Let's dive in.

Why I'm looking to snatch up Stantec on the dip this summer

Stantec (TSX:STN)(NYSE:STN) is the first TSX stock I'd look to buy the dip in today. This Edmonton-based company provides engineering, architecture, and environmental consulting services in the areas of infrastructure and facilities in North America and around the world. Its shares have dropped 7.5% in 2022 as of close on August 12.

Fortunately, Stantec has already gained some momentum in recent weeks. Indeed, the stock has increased 14% over the past month. That means investors can buy into a dip that already looks like it has started the comeback. The company released its second-quarter 2022 results on August 10. It posted net revenue growth of 22% to $1.1 billion. Meanwhile, adjusted net income jumped 33% year over year to $92.6 million.

This TSX stock possesses a price-to-earnings (P/E) ratio of 37, which puts it in solid value territory compared to its industry peers. It offers a quarterly dividend of $0.18 per share, which represents a modest 1.1% yield.

Here's a TSX stock that offers the Brookfield advantage

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is a Toronto-based alternative asset manager and real estate investment trust (REIT)/real estate manager. It focuses on real estate, renewable power, infrastructure, and venture capital and private equity assets. Shares of this TSX stock have plunged 10% in the year-to-date period. This stock has also gained momentum over the past month, rising 17% as of close on August 12.

The company unveiled its second-quarter 2022 earnings on August 11. Over the last 12 months, Brookfield has delivered net income of $10.6 billion — up from $8.56 billion over the previous 12-month stretch. Meanwhile, distributable earnings before realizations rose to $3.88 billion compared to $3.10 billion in the prior year.

Shares of this TSX stock last had a favourable P/E ratio of 23. It offers a modest quarterly dividend of $0.14 per share.

This TSX stock is worth buying on the dip for its value and dividend

Canadian Tire (TSX:CTC.A) is the final TSX stock I'd look to snatch up on the dip in the middle of August. The Toronto company provides a wide range of retail goods and services across Canada. This TSX stock has dropped 13% so far in 2022. Its shares suffered a steep drop in June.

In the second quarter 2022, Canadian Tire reported consolidated comparable sales growth of 5%. Shares of this TSX stock currently possess an attractive P/E ratio of about 9. Better yet, it offers a quarterly dividend of $1.625 per share, which represents a yield of 4%.

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