



## Got \$3,000? 3 Top TSX Stocks to Buy Right Now

### Description

Although inflation has slowed down a bit of late, it does not mean recession fears will completely disappear. Crucially, investors should watch how the Fed acts on the rate hike front and the inflation trends in the next few months. While broader markets could continue to see higher volatility amid these uncertainties, the following TSX stocks could play well and will likely outperform.

### Dollarama

The retail sector is generally a slow-growing, low-margin industry. However, Canadian value retailer **Dollarama** ([TSX:DOL](#)) has proved that wrong over the years. The company has consistently outperformed its peers in earnings growth and margins.

Notably, this year has been all the more remarkable for DOL investors. While broader markets continue to find a direction, DOL stock is comfortably making record highs. Investors have enjoyed returns of 30% this year and 85% in the last five years.

Stocks like Dollarama play well in inflationary periods as consumers turn more value-cautious. The dollar store chain will likely see stable financial growth even if the broader economy takes an ugly turn. Moreover, Dollarama's vast presence in the country is a big competitive advantage. It operates more than 1,400 stores across Canada, far more than its peers.

Dollarama pays stable dividends that yield a measly 0.3%. However, apart from the lower yield, its defensive stock and lower correlation with broader markets make it an appealing bet.

### Suncor Energy

Canada's largest oil sands player **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) has underperformed peers of late. So far this year, SU stock has gained 20%, while [TSX energy stocks](#) have gained more than 30%. However, Suncor looks well placed to catch up with its peers in the next few quarters.

That's mainly because the company has seen higher earnings growth this year. In Q2 2022, its free cash flows soared to over \$4 billion, marking a massive four-times jump than in Q2 2021.

Apart from the financial growth, the company is selling its non-core assets, which will likely help strengthen its balance sheet. The incremental free cash flows should also help deleverage in the next few quarters.

Canadian energy bigwigs have paid generous dividends this year, but Suncor Energy has notably fallen short. However, it will likely reward shareholders in the next few years once it achieves its balance sheet target.

Notably, much of the sector's growth depends on oil and gas prices. While the demand-supply imbalance still indicates oil in the triple digits, profit booking and speculation could weigh on financial performance, ultimately pulling down energy producer stocks like Suncor.

## B2Gold

Canadian gold miner **B2Gold** ([TSX:BTO](#))(NYSE:BTG) stock saw considerable weakness, losing nearly 30% since April. But this could be an attractive undervalued opportunity mainly after the recent weakness.

The yellow metal has been weak this year largely due to rising interest rates and a strengthening dollar. However, with the recent inflation data showing signs of a trend reversal, gold prices could trade higher.

B2Gold is a \$4.7 billion gold miner that operates mines in West Africa and aims to produce over one million ounces of gold this year. Higher bullion prices will likely improve its earnings and margins, which should drive the stock higher.

Moreover, BTO stock is among the few undervalued TSX gold miner stocks. It also pays a handsome dividend yield of 4.7%, higher than peers. So, considering the recent correction and expectations of higher gold prices, BTO looks attractive for long-term investors.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSEMKT:BTG (B2Gold Corp.)
3. TSX:BTO (B2Gold Corp.)
4. TSX:DOL (Dollarama Inc.)
5. TSX:SU (Suncor Energy Inc.)

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