2 of the Safest TSX Stocks to Buy Right Now

Description

As macroeconomic uncertainties have heightened the volatility in the global stock markets lately, investors are becoming nervous. While a looming recession might temporarily hurt economic activity and growth, the long-term growth outlook for the Canadian economy remains strong. Given that, it could be the right time for **TSX** investors to consider adding some fundamentally strong, safe stocks to their portfolio, which could shield them against a near-term economic slowdown or a possible recession by yielding outstanding returns in the long run.

In this article, I'll talk about two of the safest stocks on the TSX that long-term investors can buy right now.

Dollarama stock

Dollarama (TSX:DOL) is a Mont Royal-headquartered company with a market cap of about $23.6 billion that runs discount stores across Canada. Despite the broader market correction in 2022 so far, this safe Canadian stock currently trades with nearly 29% year-to-date gains at $81.96 per share.

The recent growth trend in Dollarama's financials looks impressive, as the company reported a 7.6% YoY (year-over-year) increase in its total revenue to $4.3 billion in its fiscal year 2022 (ended in January). The Canadian discount retailer also registered a strong 21.1% YoY jump in its adjusted earnings for the fiscal year to $2.18 per share.

In the April quarter, its financial growth trend improved further. During the quarter, the company reported a 12.4% YoY increase in its sales and a solid 32.4% jump in its adjusted earnings with the help of a double-digit increase in customer traffic and strong demand for its affordable products. With this, Dollarama continued to exceed Street analysts' earnings estimates for the fourth consecutive quarter.

As its business model is mainly focused on selling everyday consumable and seasonal goods at a discount, its financial growth might not see a major impact, even during a tough economicenvironment, making it one of the safest TSX stocks to buy right now.

National Bank of Canada stock

National Bank of Canada (TSX:NA) is the second on my list of safe TSX stocks right now. It's a Montréal-based bank with a market cap of about $30.8 billion. Currently, its stock trades at $91.64 per share with about 5.2% year-to-date losses, making it look undervalued, as its financial growth trend remains strong. This safe stock also offers an attractive dividend yield of around 4% at the current market price.

While most large Canadian banks' financial growth has been affected by the recent macroeconomic uncertainties, National Bank of Canada has continued to beat analysts' earnings estimates for the last three quarters in a row. In the July quarter, the bank's net profit from its personal and commercial banking segment rose by 11% YoY to $335 million with the help of its rising net interest income. Despite a negative impact of higher provision for credit losses on its U.S. specialty finance and international segment, National Bank's wealth management and financial markets segments also continued to post strong double-digit profit growth last quarter.

Moreover, its strong balance sheet and robust cash flows reflect the underlying strength of its financial growth trends. That's why I expect its stock to yield high returns on investments in the long term.

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2. Stocks for Beginners

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2. TSX:NA (National Bank of Canada)

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Date
2025/07/20
Date Created
2022/08/27
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