



## 3 Top TSX Stocks Outsmarting the Broader Markets This Year

### Description

If you are thinking about cross-border shopping for stocks, here's a good reason to look closer to home. TSX stocks at large have fallen 10%, while the **S&P 500** has corrected by nearly 18% this year. These three diversified Canadian stocks have outperformed broader markets by a wide margin this year.

### Dollarama

Canadian value retailer **Dollarama** ([TSX:DOL](#)) is one of the few all-weather stocks you can have in your portfolio. The stock notably outperformed broader markets in the last decade amid the bull market. And now, after the cycle has inverted this year, it has kept its solid performance intact. So far in 2022, DOL stock has returned 30%, while the **TSX Composite Index** has lost 10%.

Unlike many bricks-and-mortars retailers, the discount retailer did not suffer during the pandemic. Since the beginning of 2020 and start of the pandemic, sales rose 18 percent to \$4.3 billion, while net income increased 23% to \$685 million to the end of Q1 2022.

Notably, the retailer could continue to outperform, mainly considering the inflationary environment. Customers increasingly look for value options amid rising prices. And Dollarama is one of the biggest retailers with an extensive presence throughout Canada.

Dollarama has witnessed stable earnings growth over the last several years. It has a healthy margin profile against its south of the border peers. So, DOL stock might seem a little boring on the face of it. However, in long-term investing, boring generally outperforms. Dollarama's less volatile stock and stable dividends stand out in these markets. So, it makes sense to consider DOL stock for your long-term portfolio.

### Nutrien

Canada's leading fertilizer and crop nutrient stock **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) has gained 40%

this year. The company is seeing record financial growth as geopolitical tensions drive fertilizer prices higher.

Nutrien is the biggest potash player and produced 15 million metric tons of it last year. Meanwhile, strong prices for crops, including corn, soybeans, and wheat – up 25 to 35 percent compared to the 10-year average – are creating stronger demand for Nutrien's agriculture and fertilizer products. Earnings leaped 300% to a record \$5 billion in the first half of 2022, over the year-ago period, on revenues of \$22.2 billion, a 54% increase. Moreover, it has the ability to increase production further as the Russia-Ukraine war has created immense uncertainties regarding potash supplies.

So, given the strong price environment, Nutrien will likely continue to see superior earnings growth for the next few quarters. Its stable dividends and [attractively valued stock](#) make it a decent bet, too.

## Tourmaline Oil

The entire [Canadian energy sector](#) has been on fire this year. TSX energy stocks have outperformed broader markets by a huge margin. Among those, the country's leading natural gas producer **Tourmaline Oil** ([TSX:TOU](#)) is one of my favourites.

The company has been firing on all cylinders since the pandemic. Tourmaline managed to increase its production significantly in the last few years. So, higher production coupled with higher prices resulted in record free cash flow growth. To be precise, Tourmaline's free cash flows soared from \$41 million in 2020 to \$2.2 billion in the previous 12 months.

Despite allocating higher expenses for production, the company is sitting on a massive cash pile. It has paid a total dividend of \$5.4 per share this year, thanks to three solid, special dividends.

Crude oil has notably come down since June. But natural gas has held its ground, which will keep fueling Tourmaline's financials. Also, it has a strong balance sheet, which suggests the possibility of another special dividend in the next few quarters.

So, in a nutshell, given its strong dividend and earnings profile and undervalued stock, Tourmaline Oil continues to look strong.

### CATEGORY

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2. Top TSX Stocks

### TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:DOL (Dollarama Inc.)
3. TSX:NTR (Nutrien)
4. TSX:TOU (Tourmaline Oil Corp.)

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