



## 3 Canadian Stocks I'm Buying in This Volatile Market

### Description

Market volatility in Canadian stocks can be a nightmare or an opportunity. [Bear markets](#) can be frightening and cause investors to make irrational selling decisions. As the value of your portfolio turns red, losing capital can become a very real fear.

### Canadian stocks are a bargain today if you have a long time horizon

On the flip side, patient investors can wait for swift market declines to deploy their cash into high-quality [stocks trading at a discount](#). Of course, there are chances that those stocks could go lower.

However, if your time frame is years or decades, the short-term declines don't really matter as much. Stocks in great businesses catch up to their fundamental results over long periods of time.

That is why [volatile markets](#) can be a gift for the long-term investor. You can buy the best-quality Canadian stocks when they are beaten up. When the market recovers, these are often the first to recover their value. In fact, here are three top Canadian stocks I'm buying in this volatile market.

### Brookfield Asset Management

Despite worries over the economy and rising interest rates, **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) looks to be very well positioned. With \$750 billion of assets under management, Brookfield manages a huge portfolio of real and financial assets.

The assets it owns and manages include renewables, infrastructure, real estate, private businesses, and insurance. For the most part, these are economically resilient businesses, that generally manage well in times of economic uncertainty.

BAM has a very strong balance sheet with significant liquidity to deploy if asset valuations rapidly decline. At a [recent investor presentation](#), BAM projected a target to hit \$2 trillion of assets under

management over the next five years.

It hopes to grow intrinsic value by 17% annualized rate in that time. While this is aggressive, BAM has a great track record of exceeding its targets. Likewise, its stock is trading at a steep 40% discount to its intrinsic value, so there is a sufficient margin of safety for long-term buyers right now.

## Topicus.com

**Topicus.com** ([TSXV:TOI](#)) stock is down 41% year to date. While that isn't a very promising headline, this Canadian stock is starting to look attractive at \$68 per share.

Topicus.com is a consolidator of vertical market software businesses in Europe. Given how diverse Europe is, there are thousands of these niche software businesses to potentially acquire.

If Europe enters a recession, Topicus.com will have plenty of opportunities to deploy capital and grow its reach. Not to mention, it has the strategic and financial backing of its parent company, **Constellation Software**. While it may continue to be a rocky ride for this stock in the near term, I believe it will outperform in the years ahead.

## European Residential REIT

Speaking of another cheap European stock that is Canadian listed, **European Residential REIT** ([TSX:ERE.UN](#)) looks very cheap. It owns apartment buildings across the Netherlands. This is a unique asset for several reasons.

First, the Netherlands has extremely limited housing supply. Rental demand is persistently high. This means the REIT has strong levers to grow rents and organically increase cash flows regularly. Secondly, property operating costs are the responsibility of the tenant. This means inflationary costs don't impact the REIT.

Lastly, this stock is one of the cheapest apartment REITs listed in Canada. At \$3.27 per share, European Residential stock trades with an elevated 4.7% distribution yield and a near 40% discount to its net asset value. This is a great long-term Canadian stock for [income](#), value, and growth.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:ERE.UN (European Residential Real Estate Investment Trust)
4. TSXV:TOI (Topicus.Com Inc.)

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