



## 3 TSX Stocks That Are Actually Beating the Market

### Description

The market, composed of thousands of businesses, dozens of industries, and multiple sectors, is a great financial beast that typically moves at a steady pace. Even when it's going up or down, its speed is rarely comparable to that of an individual stock. And since there are many contrarian sectors and businesses in the market at any given time, it's easy to find "market-beating" stocks.

What's difficult, however, is to find stocks that may continue to beat the market years from now and by a significant margin. There are a decent number of such stocks on the TSX, and three of them are worth considering for a wide array of investors.

### An energy stock

The energy sector is a good example of a sector that's currently quite a contrarian to the broad market. The market has fallen 8.9% in the year so far, but the energy sector (**S&P/TSX Capped Energy Index**) has risen 37% at the same time.

Many [energy stocks](#), including **Birchcliff Energy** ([TSX:BIR](#)), are beating the market by a massive margin. The stock has grown a whopping 1,621% since its 2020 crash valuation. And even after the slight correction, the stock has grown over 74% in the year so far, and it's still going up. This has pushed its dividend yield below 1%.

The good news is that the stock is modestly undervalued right now, so there might still be growth ahead in the future, enough to outpace the market by several steps. But the problem is that the energy sector might be vulnerable to a strong correction when oil prices go below a certain threshold.

### A renewable energy company

The Quebec-based **Boralex** ([TSX:BLX](#)) focuses on multiple renewable energy sources, including hydropower, wind, and solar. The company already has an installed capacity of 2.5 gigawatts (GW) and is planning on taking it up to four GW, focusing mostly on wind and solar.

It also has storage-related assets, and even though they are not comparable to its power-generation capacity, the 200-megawatt storage portfolio the company is going for will be a formidable asset.

Renewables are the future, and this business edge might also reflect in the stock's future performance. The company has offered great returns in the last decade, with its price alone going up over 434%, and the overall returns are higher if you add in the dividends.

Even if the company doesn't maintain such a powerful growth pace and grows more modestly in the future, at a fraction of its past rate, it may still outperform the market. And as a renewable company, it's also a good choice if you focus on [ESG \(environmental, social, and governance\) investing](#).

## An insurance company

An insurance company that *has* outperformed the market practically since its inception and may continue to do so thanks to its impressive competitive edge is **Intact Financial** ([TSX:IFC](#)). The Canadian property and casualty (P&C) insurance giant is rapidly growing in the U.S., U.K., and Ireland.

A strong presence in the secondary markets and clear leadership in the home country have been a driving force behind its performance so far.

The stock has returned almost 500% since 2009 and about 245% in the last decade. It also pays a dividend, and even though the yield is relatively low at 1.9%, it's decent enough for a growth stock, especially one that is both consistent and rapid in its growth.

## Foolish takeaway

Not all three market-beating stocks may consistently outperform the market for the foreseeable future, though Intact Financial and Boralex may persevere far longer than Birchcliff.

But they are still decent long-term holdings, and you may consider sticking to them, even when they might temporarily be underperforming the market, for good, long-term gains.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BIR (Birchcliff Energy Ltd.)
2. TSX:BLX (Boralex Inc.)
3. TSX:IFC (Intact Financial Corporation)

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