



3 Top TSX Stocks to Watch in October 2022

Description

TSX stocks have had a [rough year](#) and are collectively down 14.5% year-to-date. However, some sectors of the economy are thriving and have a brighter outlook for the months ahead. Here are the top three TSX stocks that should be on your radar for October 2022.

Stock #1

Energy stocks like **Tourmaline Oil** ([TSX:TOU](#)) should be on the top of your watch list this winter. Tourmaline's business is primarily focused on [natural gas](#), which has been far less volatile than crude oil.

Tourmaline is well-positioned for the months ahead. The company can steadily expand production at an annual clip of 5% or so without impacting its financial position. Meanwhile, it has access to an efficient and well-priced natural gas market across North America.

The company is also one of the few energy producers with no debt on the books. That means excess cash flow can be delivered back to shareholders. This year, the company has already rewarded shareholders with special dividends worth \$4.75 per share. That implies a juicy dividend yield of 6% based on the current market price.

I expect more special dividends and perhaps a buyback program in the months ahead, as natural gas prices remain elevated well into 2023.

Stock #2

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) is a [value stock](#) amid the downturn in the equity markets fueled by global economic uncertainty. While the stock has underperformed, going by the 14% year-to-date decline, it still offers an ideal avenue for generating passive income through dividends.

The real estate investment trust (REIT) boasts a wide array of properties in almost every area of the healthcare sector. Its diversified portfolio includes office spaces and hospitals. Properties span the globe, and the REIT continues to purchase more. It earns rental income from more than 2,100 tenants in eight countries with a high occupancy rate of 97%.

Therefore, it boasts a diversified set of revenue-generating streams that should offset a slowdown in various sectors. Furthermore, given that the healthcare sector will always be in demand even with the global economy plunging into a recession, this REIT should continue generating revenue to sustain its high dividend yield of 6.83%.

Additionally, NWH.UN stands out as a value stock backed by an impressive history of record-setting revenue generation. The REIT has continued to bolster its footprint by acquiring new properties that continue strengthening its revenue base.

NWH.UN stock is now cheap after the 14% year-to-date pullback. Additionally, it's trading at a [price-to-earnings multiple](#) of 6, affirming its discounted valuation. That said, it's an ideal play for investors eyeing exposure to a recession immune industry and who are looking for passive income through dividends.

Stock #3

Slate Grocery REIT ([TSX:SGR.UN](#)) is another excellent TSX stock to watch in October. The \$573.98 million REIT manages a large network of 108 grocery stores and pharmacy properties across the United States. These properties should retain their value and see rental growth in the months ahead, despite inflation and a potential recession. This is partially owing to high quality anchor tenants that include **Costco, Kroger, Target, and Walmart**.

In the second quarter of 2022, rental revenue and net operating income increased 18.2% and 37% year-over-year to \$33.37 million and 32.9 million, respectively. Net income for the quarter was \$59.38 million versus the \$3.14 net loss in Q2 2021.

Put simply, Slate Grocery is tethered to the most essential part of the economy, and therefore, its cash flows are durable. Furthermore, much of the company's recent expansion is focused on states in the sunbelt region where population growth and migration have been particularly strong.

This TSX stock offers a sizable 8.7% dividend yield. Keep an eye on it.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Top TSX Stocks

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:SGR.UN (Slate Retail REIT)

3. TSX:TOU (Tourmaline Oil Corp.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. agraff
2. vraisinghani

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Top TSX Stocks

Date

2025/07/20

Date Created

2022/10/12

Author

vraisinghani

default watermark

default watermark