



## The TSX Is Down, But These 2 Stocks Are Beating the Market

### Description

We're heading toward the end of 2022 and are faced with the grim reality that the S&P/TSX Composite Index has faltered. With a year-to-date return of 12%, many of us have lost a lot of money. So, we need stocks that are beating the market. The market in 2022 has not given us an acceptable return. Luckily, I have a couple to talk about here.

Please read on, as I go through two top stocks that have gone against the trend, racking up nice gains so far in 2022.

### Tourmaline: Handily beating the TSX Index

As Canada's [largest natural gas producer](#), **Tourmaline Oil** ([TSX:TOU](#)) is in a sweet spot right now. The simple fact is that natural gas is in high demand globally, yet in short supply. North American natural gas is the most abundant and reliable. It's also the cheapest and cleanest natural gas available. In addition to this, the North American natural gas market has finally been opened up to the world, and exports are rapidly accelerating. It's now a global market made possible by the export of liquified natural gas (LNG).

These positive industry fundamentals are being reflected in Tourmaline's results and Tourmaline's stock price. In the second quarter of 2022, Tourmaline reported a 137% increase in its operating cash flow. This gave rise to the company issuing a special dividend of \$2 per share, which is to be paid out over and above its regular dividend of \$0.90 per share. In the trailing 12-month period, Tourmaline paid out \$6.28 in dividends. This represented a trailing dividend yield of approximately 9%.

If that's not enough, let's take a look at Tourmaline's stock price performance in 2022 — it's actually up 81%. Despite the fact that Tourmaline is a cyclical company, there's a global energy crisis, and this gives me confidence in Tourmaline stock's worth. Natural gas is in high demand, and it shows no signs of letting up.

### Waste Connections: A strong 2022 with a steady and

## consistent growth profile

As one of the largest integrated solid waste services companies in North America, **Waste Connections** ([TSX:WCN](#)) also has a bright future. It provides waste collection, disposal and recycling services in the U.S. and Canada. Waste Connections stock has also outperformed the market, as it's thriving as it consolidates the very fragmented waste market.

In addition to the opportunity that Waste Connections has to consolidate the industry, the waste industry is famously immune to economic shocks. This is one of the hallmarks of investing in Waste Connections. In today's environment, which is all about the risk of recession, this is a must-have characteristic. It's reflected in the company's most recent results, which were strong, despite a difficult macro-economic environment.

Revenue for the second quarter of 2022 increased 18% to \$1.8 billion. Also, cash flow from operations increased 15% to \$974 million and free cash flow increased 4.4% to \$602 million. These strong results are reflected in Waste Connections stock performance. It has not rallied as much as Tourmaline has in 2022, but it certainly has beat the market. It's up 5.4% in a year when the TSX Index is down 12%, which is pretty good.

Waste Connections also has [a history of solid returns](#) — an impressive track record. Simply put, Waste Connections shareholders have benefitted from a generous return of capital program. This included dividend and share repurchases. In fact, 2022 was the 19th consecutive year of positive shareholder returns.

### CATEGORY

1. Investing

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1. NYSE:WCN (Waste Connections)
2. TSX:TOU (Tourmaline Oil Corp.)
3. TSX:WCN (Waste Connections)

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