Got $5,000? 3 TSX Stocks You Can Confidently Own for the Next 20 Years

Description

It hasn't been easy to pick a winning stock this year. After a strong first three months to the year, Canadian investors have not had much to cheer about since early April. The **S&P/TSX Composite Index** is currently trading at a loss of more than 10% year-to-date, with many individual TSX stocks down much more than that in 2022.

However, despite the downturn this year, now's not the time to be on the sidelines. In fact, if you've got a long-term horizon, now's a great time to be investing. We're seeing no shortage of top companies trading at hugely discounted prices.

True, we may see the market as a whole continue to drop in the coming months. But if you're looking to time the market, good luck. Rather than attempting to time the market's bottom, I'd suggest looking for quality businesses to invest in that you're willing to hold for the long-term.

I've put together a list of three TSX stocks you can feel good about buying in a volatile market. All three companies have the potential to remain market-beating stocks for decades to come.

Shopify

It wasn't long ago that **Shopify** (TSX:SHOP)(NYSE:SHOP), the Canadian tech giant, was the largest stock on the TSX. But after an incredible near-80% drop over the past 12 months, the tech stock has long given up its top position.

But even with the drastic drop in 2022, long-term Shopify shareholders are still sitting on massive market-beating returns. Shares are up close to 200% over the past five years. That's good enough for a compound annual growth rate (CAGR) of nearly 25%. In comparison, the broader Canadian stock market has returned less than 20% in total over the past five years.

Growth has slowed in 2022, but it's been a minor setback after a surge in demand during the earlydays of the pandemic. If you're still bullish on the long-term growth potential of the e-commerce space,this is an incredible buying opportunity that you won't want to miss out on.

Northland Power

The renewable energy space as a whole seems to have weathered the storm as of late. With the market down over 10% in 2022, many green energy stocks have fared much better than that. In addition, most top renewable energy companies on the TSX also pay a generous dividend yield, so it hasn't been all bad news for Canadian investors this year.

At a market cap nearing $10 billion, **Northland Power** (TSX:NPI) is a Canadian leader in the growing renewable energy space. The company also boasts an international presence, offering its global customers a range of renewable energy solutions.

It's one of the only companies in the Canadian renewable space that maintains a portfolio of offshore wind energy facilities which indicates plenty of long-term growth ahead. The company has a massive backlog of wind power projects in various parts of the world, allowing it to benefit from strong energy demand for decades.

This energy stock has doubled the returns of the Canadian stock market over the past five years. And that's not even including its 3% dividend yield.

goeasy

Last on my list is one of the top under-the-radar growth stocks around. **goeasy** (TSX:GSY) has quietly returned gains of more than 200% over the past five years. With shares currently down 50% from all-time highs, this growth stock is trading at a rare discount.

Rising interest rates are partly to blame for the stock's recent plunge. As a consumer-facing financial services provider, demand has unsurprisingly cooled off this year. Over the long-term, though, this is a business that is well-positioned for continued success.

Despite the current environment, the company's revenue and adjusted net income have grown by 30% and 15.1% in the first six months of this year. This was largely due to strong performance from the automotive financing vertical and growth in home equity loans. goeasy's management team remains confident that they can grow its loan portfolio by 62% to reach $4 billion by 2024 which will boost revenue at a CAGR of 18%.

Plus, goeasy has been growing its dividend at an annualized rate of 34% since 2014, and the yield now stands at an attractive 3.28%.

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2. Energy Stocks
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2. TSX:GSY (goeasy Ltd.)
3. TSX:NPI (Northland Power Inc.)
4. TSX:SHOP (Shopify Inc.)

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