3 TSX Stocks You'll Be Glad You Bought at These Prices

Description

Market experts say that time *in* the market is more important than timing the market. That's certainly true. But you can't ignore the "timing" part completely. You don't want to buy a growth stock that's trading at record-high levels when a recession is approaching.

On the other hand, those who timed the markets during the pandemic crash and poured new money into quality names are sitting on enormous wealth today. So, yes, it's important to remain invested in quality stocks for the long-term. But if you manage to get in and out at the right time, there's nothing like it! Here are three stocks that you'll be glad you bought at current prices.

Fortis

Canada's top utility stock **Fortis** (TSX:FTS)(NYSE:FTS) has dropped 18% in the last six months. While the stock has seen some recovery as of late, it still looks attractive from a valuation standpoint.

Fortis is a classic defensive play in these uncertain markets. Investors can lock in a decent 4%+ dividend yield at current levels. What differentiates Fortis is its earnings and dividend stability, especially in uncertain markets. Its regulated operations facilitate stable earnings in all economic cycles. So, as growth stocks flounder amid recession fears, non-cyclical stocks like Fortis keep gaining and outperforming.

Fortis has increased its dividends for the last 49 consecutive years. This super-long payout history indicates dividend reliability. Even if FTS does not offer insane growth prospects, it looks attractive at these levels after the correction.

Vermilion Energy

Energy has been one of the few sectors that has played out really well this year. TSX oil and gas stocks are expected to surge even higher based on stellar Q3 2022 numbers. Companies that have reported their quarterly results so far have facilitated optimism as earnings growth across the sector seems quite superior.

Vermilion Energy (TSX:VET)(NYSE:VET) is one such name that looks well positioned ahead of its Q3 earnings. It will report its quarterly numbers on November 9. Higher exposure to Europe and insanely high gas prices across the continent will likely significantly boost its quarterly profits.

The company has already been firing on all cylinders with its higher production. That, coupled with near-triple-digit oil prices has played well in 2022. As a result, VET stock has returned a mouth-watering 125% so far, notably beating peer TSX energy stocks.

Higher free cash flow growth has strengthened its balance sheet and has also provisioned for shareholder returns. So, investors might see higher dividends in the coming quarters or aggressive buybacks, eventually driving returns higher.

Dollarama

Dollarama (TSX:DOL) stock has returned 32% so far and is currently trading close to its record levels. However, it does not look as vulnerable as some cyclical names ahead of an impending recession.

That's because Dollarama has not seen a significant negative impact from higher inflation on its profit margins when compared to broader markets. Its unique value proposition actually serves as an advantage in inflationary environments. Its efficient supply chain and extensive presence across Canada drive its business and earnings growth in almost all kinds of economic cycles. As a result, the stock has soared while markets have tumbled this year.

Based on these factors, even if a recession hits, DOL stock will likely remain resilient. It's currently trading at 30 times its earnings and does not look cheap. However, considering the worrying global growth outlook and volatile markets, stocks like DOL will likely remain in the limelight.

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2. NYSE:VET (Vermilion Energy)
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5. TSX:VET (Vermilion Energy Inc.)

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vinitkularni20