Top TSX Stocks to Buy in November 2022

Description

Every month, we ask our freelance writer investors to share their best stock ideas with you. Here's what they said.

[Just beginning your investing journey? Check out our guide on how to start investing in Canada.]

10 Top TSX Stocks for November 2022 (Smallest to Largest)

1. **Cineplex,** $638 million
2. **Slate Grocery REIT,** $914 million
3. **Northland Power,** $9.2 billion
4. **Fortis,** $25.4 billion
5. **Franco-Nevada,** $35.8 billion
6. **Constellation Software,** $42.4 billion
7. **Shopify,** $67.7 billion
8. **Canadian Natural Resources,** $91.7 billion
9. **Brookfield Asset Management,** $101.1 billion
10. **Enbridge**, $118.5 billion

(MARKET CAP AS OF November 15, 2022)

Why We Love These Stocks for Canadian Investors

Cineplex

What it does: Cineplex runs a chain of theatres and location-based entertainment venues in Canada.

By Karen Thomas: Canada's entertainment mogul **Cineplex** (TSX:CGX) is experiencing a rapid recovery now that pandemic restrictions are fading into the background. Yet the stock remains super cheap even though the company's revenue and earnings have been soaring. For example, revenue rose 36% and adjusted EBITDA climbed 90% in its most recent quarter, fueled by continued positive box-office results compared with last year and record results in the amusement and leisure segment, which now accounts for 20% of Cineplex's total revenue.

But the shares remain unjustifiably cheap, trading at a mere 12 times next year's estimated earnings of $0.88, which is probably a conservative estimate. With earnings and earnings estimates rising, Cineplex stock will probably not be far behind.

Fool contributor Karen Thomas owns shares of Cineplex. The Motley Fool recommends Cineplex.

Slate Grocery REIT

What it does: Slate Grocery REIT owns and operates grocery-anchored chains throughout the United States.

By Amy Legate-Wolfe: **Slate Grocery REIT** (TSX:SGR.UN) is a strong choice this November for investors looking for stable passive income with high yields. I stress the word "stable," as the company continues to prove that groceries remain essential even in this post-pandemic environment. In fact, it's one of the few companies whose shares have risen in 2022, currently up about 10% year to date.

Further, Slate offers lease agreements that are often over a decade in length. Because of this, investors can look forward to increasing dividend income, as well as a recovery in the share price after this downturn. The current yield of 7.9% is one I would lock in while the stock continues to trade at just 5.9 times earnings.

Fool contributor Amy Legate-Wolfe has no position in any of the stocks mentioned.

Northland Power

What it does: Northland Power is a global producer of renewable energy. It also develops, owns, and operates green energy projects across the globe.

By Nicholas Dobroruka: There are reasons beyond taking care of the planet to be a buyer of renewable energy stocks right now. The sector is also loaded with long-term growth potential and high-yielding dividend stocks.

Shares of **Northland Power** (TSX:NPI) are up almost 10% on the year, compared to the overall Canadian market's near-5% loss. And that's not even factoring in the company's impressive 3% dividend yield, either.

Despite their market-beating performance this year, shares of Northland Power are still trading 20% below all-time highs set in early 2021. That means long-term investors still have an opportunity to pick up shares of this top renewable energy stock at a significant discount.

Fool contributor Nicholas Dobroruka has no position in any of the stocks mentioned.

Fortis

What it does: Fortis is a leading North American regulated gas and electric utility company with $60 billion in assets serving customers in Canada, the U.S., and the Caribbean.

By Demetris Afxentiou: The reliable, stable income stream is just one reason I like **Fortis** (TSX:FTS) for investing today. Utilities are some of the best defensive stocks on the market, even (especially!) during times of volatility thanks to the rate-regulated nature of the business.

Along with much of the market, Fortis stock has dropped in 2022. Year-to-date the shares are down 15%, making now a great time to buy this defensive gem at a discounted price.

In terms of a dividend, Fortis offers a quarterly payout with a yield of 4.3%, making it one of the better-paying options on the market. Fortis also boasts an incredible 49 consecutive years of dividend increases.

For investors seeking a defensive stock with ample long-term income potential, look no further than Fortis.

Fool contributor Demetris Afxentiou has positions in Fortis. The Motley Fool recommends Fortis.

Franco-Nevada

What it does: Franco-Nevada is a large and diversified royalty and streaming company that focuses on gold.

By Kay Ng: Gold has long been considered a good hedge for inflation. Yet the high inflation we've experienced this year hasn't been reflected in rising gold prices, which have, in fact, been in a downward trend since a peak in March.

One reason is that the U.S. dollar has been strong. A normalization of the strength of the U.S. dollar, which we have seen hints of this month, has triggered spikes in gold prices and gold stocks like **Franco-Nevada** (TSX:FNV).

Risk-averse investors will appreciate that Franco-Nevada is a low-risk company with high margins and strong cash flows. It's also a trustworthy Canadian dividend aristocrat that yields nearly1%.

Fool contributor Kay Ng has no position in any of the stocks mentioned.

Constellation Software

What it does: Constellation Software operates and consolidates vertical market software businesses around the world.

By Robin Brown: **Constellation Software** (TSX:CSU) has been one of the best-performing TSX stocks over the past 10 years. Despite falling 17% this year, the shares are up 1,533% since 2012.

How does it do it? Constellation acquires generally defensive, niche vertical software businesses that it can buy at cheap valuations. It then reaps the cash flows from these businesses and reinvests into new ones — the perfect structure for capital compounding.

This year, Constellation's acquisition spending has massively accelerated to more than US$2 billion. Given weak economic factors and all the attractive valuations out there, its buying plans could further accelerate.

This should mean cash flows will significantly accelerate over time. Shareholders may have to be patient in this current environment, but eventually Constellation's smart capital allocation strategy should propel this stock higher.

Fool contributor Robin Brown has positions in Constellation Software. The Motley Fool recommends Constellation Software.

Shopify

What it does: Shopify offers an e-commerce platform and related services in Canada, the United States, and almost all of the rest of the world.

By Stephanie Bedard-Chateauneuf: **Shopify** (TSX:SHOP) is my top TSX stock to buy in November. More than 2 million merchants in 175 countries use Shopify to process orders and manage their online storefronts — nearly twice as many as in 2018. The company's reputation as a go-to checkout solution grows as more merchants sign up to use Shopify's valuable selling tools.

Shopify is still seeing solid growth. In the second quarter, total revenue increased 16% year on year.

As e-commerce growth has slowed to pre-pandemic levels, Shopify has started to provide point-of-sale solutions for physical stores in a bid to maintain its growth. This is proving to be successful, as offline gross merchandise volume increased 47% year on year in the second quarter.

Shopify's offline expansion suggests that the market is underestimating the company's competitive position.

Fool contributor Stephanie Bedard-Chateauneuf has no position in Shopify. The Motley Fool has positions in and recommends Shopify .

Canadian Natural Resources

What it does: The company produces and markets crude oil, natural gas, and natural gas liquids.

By Vineet Kulkarni: Canada's biggest energy producer by market cap, **Canadian Natural Resources** (TSX:CNQ) has returned 60% so far in 2022. Steep cash flow growth and noteworthy capital discipline have created immense shareholder wealth since the pandemic.

As crude oil is trading close to triple-digit levels, energy producers like CNQ will likely continue to see solid earnings growth. This might lead to further deleveraging and dividend hikes, as we have seen in the past. CNQ stock currently offers a decent 4% dividend yield, in line with the other Canadian bigwigs.

I'll admit that CNQ does not look cheap from a valuation perspective after such a significant rise. However, the stock could march higher given the company's fortifying balance sheet, attractive dividends, and earnings growth prospects.

Fool contributor Vineet Kulkarni has no position in any of the stocks mentioned. T*he Motley Fool recommends Canadian Natural Resources*.

Brookfield Asset Management

What it does: This company invests in and operates alternative assets, focusing on the infrastructure, insurance, renewable utility, and private-equity markets.

By Jed Lloren: **Brookfield Asset Management** (TSX:BAM.A) is my top stock for November. This company has a major presence in many stable industries, though I want to highlight its focus on renewable utilities. Brookfield Asset Management is the parent company of **Brookfield Renewable Partners** (TSX:BEP.UN), of which it owns a 12% stake. The demand for renewable energy is projected to increase 4X compared to 2020 within the end of the decade.

In addition to its leadership positioning in key industries, Brookfield Asset Management also offers investors a modest dividend of 1.2% as of this writing. With a payout ratio of about 23%, the dividend appears to be fairly stable. And with gains in the market being very slow right now, this dividend just might be enough to entice you to take advantage of Brookfield Asset Management's discounted price this month.

Fool contributor Jed Lloren has positions in Brookfield Renewable Partners. The Motley Fool recommends Brookfield Asset Management and Brookfield Renewable Partners.

Enbridge

What it does: Enbridge transports oil and gas via pipelines. It also operates as a natural gas utility.

By Daniel Da Costa: Although the market has been performing relatively well lately and we had that nice rally after a favourable inflation report south of the border, there is still a strong chance of a recession next year.

And considering that **Enbridge** (TSX:ENB), one of the most reliable blue-chip stocks in Canada, still trades so cheaply, it's one of the best stocks you can buy in November.

Enbridge is an incredibly reliable business due to its essential nature. What's more, the stock is also less volatile than the market. Most importantly, though, Enbridge pays a dividend with a current yield of roughly 6.4%, which the company has increased every year for over a quarter-century.

So if you're looking to shore up your portfolio and considering the massive discount it's trading at, Enbridge is my top recommendation for November.

Fool contributor Daniel Da Costa has positions in Enbridge. The Motley Fool recommends Enbridge. The Motley Fool has a disclosure policy.

How to Invest in These Top Canadian Stocks

If you're new to investing, please read our beginner's investing guide. It will walk you through all the basics, including how much of your money is prudent to invest and how to find out which kind of stocks are right for you.

Our writers are excited about each of the stocks on this list, but they're probably not all up your alley. Start with the investment ideas that speak to you — and feel free to ignore the ones that don't.

Good luck and Fool on!

CATEGORY

1. Investing
2. Top TSX Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:BN (Brookfield)
3. TSX:CGX (Cineplex Inc.)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:CSU (Constellation Software Inc.)
6. TSX:ENB (Enbridge Inc.)
7. TSX:FNV (Franco-Nevada)
8. TSX:FTS (Fortis Inc.)
9. TSX:NPI (Northland Power Inc.)
10. TSX:SGR.UN (Slate Retail REIT)
11. TSX:SHOP (Shopify Inc.)

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1. Editor's Choice

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