3 No-Brainer TSX Stocks to Buy Right Now

Description

Amid signs of inflation cooling down, the Canadian equity markets have bounced back strongly, with the **S&P/TSX Composite Index** rising over 10% since the beginning of October. The Federal Reserve of the United States indicated plans to make smaller rate hikes in the coming months amid cooling inflation. So, in the improving macro environment, here are three no-brainer TSX stocks that you can buy right now.

BCE

The demand for telecommunication services is rising in this digitally connected world. Specifically, digitizing business processes and growing remote working, learning, and shopping have created long-term growth potential for telecommunication companies. So, given the favourable market outlook, I have picked **BCE** (TSX:BCE), one of the three top players in the Canadian market, as my first pick.

Despite the challenging economic environment, BCE has expanded its customer base by adding over 400,000 new customers across wire and wireless segments in the third quarter. The telecom is expanding its 5G and broadband services across Canada. Supported by these expansions, the company's revenue and adjusted earnings per share (EPS) grew by 3.2% and 7.3%, respectively. What's more, management reaffirmed its earlier 2022 guidance, which projects its revenue and adjusted EPS to increase by 1-5% and 2-7%, respectively.

Meanwhile, being in a capital-intensive sector, BCE has lost over 13% of its stock value compared to its April highs. No doubt, investors are worried that rising interest rates could hurt its margins. The correction has dragged its NTM (next 12 months) price-to-earnings down to an attractive 18.3. Besides, it has boosted shareholders' returns by raising its dividends by over 5% for the last 14 years. BCE also offers a healthy dividend yield of 5.76%. So, considering all these factors, I am betting on BCE.

Nuvei

Nuvei (TSX:NVEI) would be my second pick. The stock has been under pressure this year, losing around 69% of its value. Rising interest rates, an expectation of growth slowing down, and expensive valuation have weighed on the stock price. However, the payment solutions provider has continued with its growth initiatives. It strengthened its architecture and infrastructure to increase the number of transactions per second. On the consulting side, it is helping its clients expand their businesses across multiple markets. The digital payments platform also introduced several innovative products across Europe while enhancing its payment management platform.

Further, Nuvei has expanded its presence in the United States online gaming business by acquiring licenses for Maryland and Kansas. Supported by these initiatives, total volume grew by 30% to US$28 billion. Meanwhile, the company's revenue and adjusted EPS grew by 7% and 14%, respectively. Importantly, management has maintained its medium-to-long-term targets. Nuvei expects to grow its revenue and volumes by over 30% in the medium term, while its adjusted EBITDA margin could expand to over 50% in the long term.

goeasy

Another stock trading at a substantial discount from its recent highs is **goeasy** (TSX:GSY). Amid rising interest rates and an expectation of an economic slowdown, investors are worried that the company's delinquencies could grow, thus dragging its stock price down. It currently trades about 35% lower than its 52-week high, while its NTM price-to-earnings multiple stands at 9.2.

Meanwhile, goeasy has expanded its loan portfolio, with record loan originations of $641 million in the September-ending quarter. The demand growth, expanded product range, and newly acquired channels have grown its loan portfolio to $2.6 billion. Revenue and adjusted EPS have increased by 19.3% and 9.3%, respectively. Besides, its net charge-off rate, which represents the percentage of its loan portfolio that is unlikely to return, stands at 9.3%, within the company's guidance of 8.5% to 10.5%.

With the subprime lending market highly fragmented, goeasy is well-equipped to expand its market share, given its expanded product range, solid distribution channels, and geographical expansions. Management expects its loan portfolio to reach $4 billion by 2025, representing 54% growth from its current levels. So, I believe goeasy would be an excellent buy at these levels.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:NVEI (Nuvei Corporation)

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. rnanjapla

Category

1. Investing

Date
2025/07/27
Date Created
2022/11/25
Author
rnanjapla