2 Canadian Stocks to Buy Now and Not Worry About in 2023

Description

It's an angst-inducing year for many Canadian investors who braved the bear market of 2022, hoping for a quick bounce-back of some sort. While we've had a nice rebound off bottom, many bearish pundits are skeptical that the bear has passed.

With so much to worry about in 2023, it's easy to dismiss the current move off the bottom as just another short-lived bear bounce. With a rough start to December, there are no guarantees that Santa Claus will come to town this year. If anything, we could be in for more of the same, as tax-loss sellers look to make moves before the clock strikes midnight (or the last closing bell rings) later this month.

Despite the profound number of unknowns and negative surprises that we've been hit with this year (COVID lockdowns in China and the Ukraine-Russia crisis), there's room for cautious optimism in the New Year. Yes, there are huge risks, as the Federal Reserve and Bank of Canada look to raise interest rates further. That said, equities have already taken such a beating. Arguably, valuations look good and may set the stage for a 2023 relief rally if things don't end up as bad as we think!

It's hard to be optimistic these days. There's a real shortage. However, for those willing to brave the volatility, there are names out there that you can buy now and think less about in 2023. We're talking incredibly cheap stocks with powerful dividends that will keep your TFSA or RRSP well-fed as we move through any further chaos or a recession.

Consider **TC Energy** (TSX:TRP) and **Quebecor** (TSX:QBR.B), two discounted dividend stocks that too many Canadians may be overlooking.

TC Energy

TC Energy doesn't get as much attention as it deserves. Indeed, it's not the most bountiful dividend payer in the midstream energy space. Still, TC Energy stock has a lot to offer in the way of value and dividend growth.

At the time of writing, the stock trades at a mere 17.9 times trailing price-to-earnings (P/E), with a

6.21% dividend yield. That's a low-cost way to get some pretty sizeable passive income ahead of a recession year that could see 5–7% inflation linger for months on end.

The $58.7 billion pipeline play isn't just a great way to batten down the hatches ahead of another volatile year, it's a firm that could benefit greatly from elevated energy prices. While TC isn't as sensitive to those day-to-day oil or gas moves, it could continue to raise its dividend at a consistent rate from here.

I think TC's dividend growth prospects are underrated. After a more than 12% plunge off November's peak, I view the current price ($57 and change) as a great entry point.

Quebecor

Quebecor is another well-run dividend juggernaut that doesn't get respect from a majority of investors. The Quebec-based telecom has made headlines this year for its ambitious plans of expanding nationwide and bringing the fight to the Big Three Canadian telecoms.

There's a lot of upside to be had as Quebecor looks to become the fourth major player. Though higher rates could curb such ambitions, one has to think that low valuations across the board could make for a steal of a deal if Quebecor is looking to acquire its way to a wireless foundation in new markets. Further, the government will likely give player number four (Quebecor in this case) first dibs on new infrastructure.

In any case, QBR.B stock is dirt-cheap at 11.2 times trailing P/E. The 4.24% dividend yield is also incredibly bountiful. With such a low multiple and a huge payout, investors can buy the name and forget about it in 2023, as macro noise takes centre stage.

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1. Investing

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