



## TFSA Investors: 2 Unloved Dividend Stocks That Could Roar Back in 2023

### Description

[Tax-Free Savings Account \(TFSA\)](#) investors should at least think about doing some buying, with the 2022 bear market in full swing. Undoubtedly, this bear market could span more than a year. The bearish market strategists at the big banks seem to think there's going to be more turmoil in the first half of 2023. In any case, self-guided investors should treat these near-term forecasts with a grain of salt.

Indeed, the folks at the big banks are very smart, and they may claim to have a pulse on the economy. Still, the stock market is unpredictable over the near to medium term. Anything can catch us off guard. And after a turbulent few years, many of us forget that surprising good news is still a possibility.

In 2023, TFSA investors should keep it simple and try to act contrarian when they can. While it's hard to tell when markets will return in rally mode again, new investors should play both sides of the coin with defensive dividend stocks. These types of stocks can pay you whether or not next year sees pain, rather than gain.

In this piece, we'll consider two intriguing low-correlation stocks (stocks that don't tend to follow the TSX Index in either direction) that are trading at some pretty compelling valuations at the time of writing.

Consider rural grocer **North West Company** ([TSX:NWC](#)) and top-tier gold miner **Barrick Gold** ([TSX:ABX](#)).

### North West Company

North West Company is a mid-cap discount retail play that few Canadians have ever heard of. The company primarily serves the remote northwest, which includes communities in Alaska, and various Canadian provinces. Undoubtedly, the [\\$1.8 billion](#) grocer is in great shape to ride out a downturn, given its competitive positioning and large grocery mix.

The stock trades at a mere 14.9 times trailing price to earnings (P/E). That's pretty low for a consumer staple with a 4.03% dividend yield. Further, NWC stock can help your TFSA portfolio weather any further volatility hurricanes in 2023. With a 0.63 beta, NWC stock is considerably less volatile than the

market averages.

Fresh off a modest third quarter that saw higher sales, I view NWC as a must-buy bargain for those seeking to play defence without having to pay up a premium valuation in what's likely to be the late stages of a bear market.

## Barrick Gold

Barrick Gold is one of the best ways to play gold. Of late, precious metals have been rallying fiercely. Shares of ABX are now up more than 26% from their November 2022 lows. As gold continues to move higher, I expect ABX stock will be in a spot to amplify such moves.

Like North West, Barrick sports a low beta (a mere 0.12 at writing) alongside a sound dividend (2.38% yield). A secure, growing dividend paired with less-correlated shares could make for a great hiding place if 2023 holds a recession that's anything but mild.

Even if the next bull runs out of the gate, Barrick looks like too good a value play to pass up here now that analysts have muted expectations.

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### TICKERS GLOBAL

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2. TSX:NWC (The North West Company Inc.)

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