Have $5,000 to Invest? Here’s Where I’d Put it Right Now

Description

If you’re an investor hoarding a bit of cash right now, I wouldn’t blame you. The stock market is a scary place, especially as recession fears continue. But here’s the thing: the stock market usually reacts far *earlier* than necessary. So, while it’s true that we could see shares drop even lower, they could start to recover faster at the first sign of improvement.

While we can’t foresee the future, what we *can* see are fundamentals. These tell us exactly how stocks are performing based on their current share price and whether they’re a deal right now. If you’ve been sitting on $5,000, wondering where to put it, or if you should invest at all, these are the investments I would make today.

Low risk and high reward

Canadian Pacific Railway (TSX:CP) was considered for some time to be just your run of the mill, strong, blue-chip company. It had a dividend, average growth, with consistent returns thanks to its exposure to multiple industries. This hasn’t changed. However, its investments have.

CP stock’s acquisition of Kansas City Southern is due to be approved by the Surface Transportation Board (STB) at the beginning of 2023. You’ll notice shares are already at 52-week highs, but that’s likely to climb even higher. In fact, analysts give it a consensus price target of $113. So, right now, that a potential upside of about 10%!

With estimate-beating earnings, more revenue coming in than ever, and a huge surge expected in the future, CP stock deserves your attention. All while providing you with some defence in your portfolio, as shares are up 13% year to date.

I want to finish here with something important to note as well. CP stock is excellent during a potential recession, which should be mild but happen nonetheless in 2023. Shipments continue to be necessary, and CP stock has a strong track record of growing shipments in every sector. If you want protection, this is certainly one stock I would consider.

Fixed-income find

Another strong option for those seeking fixed income from their investments along with returns is **Canadian Imperial Bank of Commerce** (TSX:CM). CIBC stock continues to be one of my favourite recommendations, but not simply because of its dividend.

CIBC stock has been expanding for investors in a few ways. There's the expansion of its customer service offerings, creating detailed portfolios that will help clients reach their goals. This has brought in more clients in the process. Then there's the expansion into emerging markets, which will help bring in more revenue, even if we continue through this housing drop — an area where CIBC stock struggled in the past.

But CIBC stock is also a great deal. After its stock split this year, shares trade at just $55 as of writing. Even considering this far lower price, you can also look at its cheap fundamentals, which are currently at 8.27 times earnings and 1.11 times book value.

I think you're likely considering CIBC stock for one thing, and that's its dividend yield, which remains high at 6.13%. With so much to look forward to, including a recovery to pre-fall prices, CIBC stock seems like a no brainer for me, with shares down an astounding 22% year to date.

Bottom line

This chance to buy blue-chip companies like CP stock and CIBC stock won't be around forever. So, if you want returns and fixed income from safe choices, then these are the two companies I'd consider with that $5,000 right now.

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