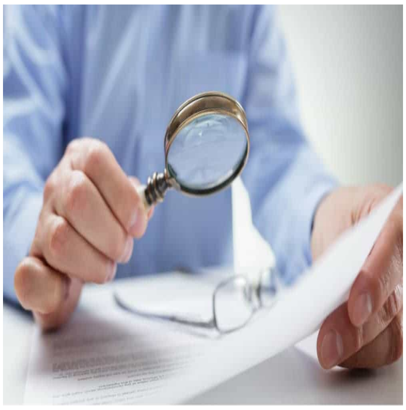

Here’s How Canadian Mid-Cap Stocks Did in 2022

Description

The **S&P/TSX Composite Index** had a strong start in 2022. At the time, it appeared that Canada and most of the world had finally passed through the worst of the COVID-19 pandemic. Investors could now look forward to an open economy and opportunities that would come with that. However, soaring inflation, rising interest rates, and a rattled global economy darkened the mood in the second leg of 2022.

Today, I want to explore how Canadian mid-cap stocks performed last year. Moreover, we’ll determine which stocks are worth picking up right now. Let’s jump in.

For reference, **iShares S&P U.S. Mid-Cap Index ETF** (TSX:XMH) seeks to track the performance of a basket of U.S. mid-cap equities. Shares of this exchange-traded fund plunged roughly 15% in 2022. Canadian investors will hope that mid-cap stocks will put together a bounce-back year in 2023.

How did green energy mid-cap equities perform last year?

Green energy mid-cap stocks have not been immune in this turbulent climate. However, there are a few that have thrived on the TSX. **Capital Power** (TSX:CPX) is an Edmonton-based company that develops, acquires, owns, and operates renewable and thermal power-generation facilities in North America. Shares of this mid-cap stock climbed 17% year over year as of close on December 30. This stock is still trading in favourable value territory compared to its industry peers. It offers a quarterly dividend of $0.58 per share. That represents a strong 5% yield.

Algonquin Power & Utilities (TSX:AQN) is an Oakville-based company that owns and operates a portfolio of regulated and non-regulated generation, distribution, and transmission utility assets. This green energy stock plunged 51% in the year-over-year period. The stock fell sharply after a disappointing third-quarter (Q3) earnings report.

Mid-cap financial stocks have battled rate hikes and a major housing correction

Canadian financials are the largest sector on the Toronto Stock Exchange (TSX). Top Canadian banks and other financial institutions were forced to battle through a major transition year in 2022. The Bank of Canada (BoC) moved forward with the most aggressive rate-tightening strategy in decades in order to fight inflation. This has taken a toll on Canadian banks and the Canada housing market.

Canadian Western Bank (TSX:CWB) is a regional bank that is focused on Western Canada and sparsely in other regions. Shares of this mid-cap bank stock plummeted 34% in 2022 as of close on December 30. In Q4 fiscal 2022, this bank saw adjusted diluted earnings per share (EPS) fall 15% from the first quarter of fiscal 2021.

Shares of this mid-cap bank stock currently possess a very favourable price-to-earnings (P/E) ratio of seven. Moreover, it offers a quarterly dividend of $0.32 per share. That represents a very strong 5.3% yield.

EQB (TSX:EQB) is a Toronto-based alternative lender that has deep connections to Canadian real estate. This mid-cap housing stock has dropped 20% year over year.

In Q3 fiscal 2022, the company delivered adjusted net income growth of 24% to $187 million. Meanwhile, EQB achieved loan growth across all asset classes. Assets under management (AUM) increased 18% year over year to $47.3 billion.

Shares of this mid-cap stock possess an attractive P/E ratio of 6.5. EQB offers a quarterly dividend of $0.33 per share, representing a 2.3% yield.

Here's a mid-cap stock I'm still excited about in 2023!

Cargojet (TSX:CJT) was one of the best stories on the TSX during the COVID-19 pandemic. This Mississauga-based company provides time-sensitive overnight air cargo services in Canada. Its shares have dropped 28% from the previous year as of close on December 30.

This company unveiled its Q3 fiscal 2022 earnings on October 31. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. It aims to give a clearer picture of a company's profitability. Cargojet posted adjusted EBITDA of $82.1 million in Q3 2022 — up from $70.9 million in Q3 fiscal 2021.

Shares of this mid-cap stock possess a favourable P/E ratio of 7.1. Cargojet offers nice value and the potential for huge growth this decade and beyond.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:CJT (Cargojet Inc.)
3. TSX:CPX (Capital Power Corporation)
4. TSX:CWB (Canadian Western Bank)
5. TSX:EQB (EQB)

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