New to Investing? 3 Top Canadian Stocks to Buy for Long Term

Description

If you plan to begin do-it-yourself investing this year, this article is for you. Even if markets look gloomy ahead of 2023, this should still not postpone your investment decisions. There are value opportunities in almost all kinds of markets. And we are in the middle of a bear market. So, here is a rundown of Canadian stocks that will likely play well in the long term.

Tourmaline Oil

Canada's largest natural gas producer **Tourmaline Oil** (TSX:TOU) has created massive shareholder value in the last few years. TOU stock returned 75% in 2022, notably outperforming peer TSX energy stocks. Notably, although with such a handsome gain, TOU stock looks appealing from a valuation standpoint.

After a blockbuster 2022, Tourmaline looks well-positioned to delight investors next year. As per the company guidance, Canada's biggest gas producer is expected to earn free cash flows of $3.7 billion in 2023. This will likely be enough for capital expenditure, debt repayments, and shareholder dividends in 2023.

Natural gas has notably outperformed crude oil this year. Due to Europe's energy crisis, gas might continue to trade at elevated levels in the short to medium term. Tourmaline could be some of the biggest beneficiaries of that, notably boosting its earnings. It's scale and low-cost infrastructure in the quality production base should play well in the long term.

Fortis

If you are looking for stable dividends, **Fortis** (TSX:FTS) is one classic bet. It's less-volatile stock, along with consistently increasing dividends, make it an attractive bet for conservative investors. FTS has underperformed broader markets this year amid the rate-hike cycle. However, when the cycle slows or inverts, utility stocks like Fortis will likely turn much higher.

Utilities earn stable revenues from regulated operations, facilitating stable dividends. Fortis has grown its earnings below average in the last few decades. And that's passable for utilities because they offer stability. However, it has raised its dividend for the last 49 consecutive years. Stable capital appreciation and dividends have outperformed broader markets in the last decade.

But note that utility stocks are not for everyone. Investors seeking higher returns with a higher risk appetite might disdain FTS. But those valuing stability more than higher returns could prefer Fortis.

goeasy

Canadian consumer lender **goeasy** (TSX:GSY) is one of the top wealth creators on the TSX. It has returned more than 12,000% in the last two decades, thrashing TSX stocks at large. To be precise, $10,000 invested in 2000 would be worth close to $2 million at the end of 2021.

The company lends to non-prime borrowers. It caters to a huge addressable market, which is not catered to by conventional banks. Lending, that too in a non-prime segment, is a risky business. However, goeasy's strong execution and prudent underwriting boded well for its business and earnings growth.

GSY stock has been terribly weak, losing 40% in 2022. The fall was quite on the expected lines with adamant inflation and recession woes. However, its business has continued to grow this year, despite aggressive rate hikes. The stock might turn around once the macro picture changes course next year. goeasy looks fundamentally attractive for the long term. The stock is now even more attractive after a steep correction.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:FTS (Fortis Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:TOU (Tourmaline Oil Corp.)

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. kduncombe
2. vinitkularni20

Category

1. Investing
2. Stocks for Beginners

Date
2025/08/13
Date Created
2023/01/08
Author
vinitkularni20