Sitting on Cash? These 2 Stocks Are Great Buys

Description

If you're sitting on cash in 2023, consider yourself lucky. Most Canadians have faced severe inflation, lower wages, and a rise in interest payments in recent months. If you're left with cash to invest at the end of that you're in an excellent position to snap up some bargains on the stock market.

Here are the top two stocks that you should consider in 2023.

Best dividend stock to buy

Fiera Capital (TSX:FSZ) is a little-known investment company that consistently delivers handsome dividends. The stock currently offers a 9% dividend yield, making it one of the highest-yielding dividend stocks on the market.

Fiera helps institutional investors and wealthy families deploy capital into niche private assets such as private debt securities, infrastructure assets and liability driven investments. Put simply, it's a money manager with $158 billion in assets under management (AUM) as of September 2022.

Asset managers have faced a difficult period as interest rates climbed, liquidity evaporated, and investors became concerned about an upcoming recession. That is probably why the stock is trading 6.5% lower than last year. However, the management team has brought founder Jean-Guy Desjardins out of retirement to fill the chief executive officer role again, which could help bolster the company's outlook.

Under the right circumstances, Fiera could have an excellent year. If the company can invest in publicly traded stocks and private debt instruments at lower valuations, it could generate better returns for its clients and investors over the long term.

However, cash flow is key, and I expect rising rates to help investors like Fiera generate more cash from dividends and private loans in 2023 and beyond. If the team can sustain the dividend payout, income-seeking investors should certainly add this stock to their list.

Best growth stock to buy

WELL Health (TSX:WELL) is probably the best growth stock to buy in 2023. The company has lost roughly 63% of its value since it peaked in 2021. However, the underlying business is still thriving.

The company delivered $145.8 million in revenue in its most recent quarter. That's 47% higher than the previous year. In 2023, the company expects to generate over $550 million in revenue. Meanwhile, the company is worth only $766 million, which means the stock trades at a price-to-sales ratio of 1.4.

That valuation is simply unjustified for a company that has consistently delivered growth and is somewhat immune to the tech sector's ongoing struggles. Telehealth and virtual healthcare are likely to keep growing, despite the upcoming recession.

I expect investors will eventually recognize the value of this defensive growth star. WELL Health could have tremendous potential if it achieves its targets and rebounds to its earlier valuation. Keep an eye on this underrated growth stock.

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