3 Stocks You Can Confidently Buy in a Down Market

Description

It's been a surprising start to the year for the Canadian stock market. After ending 2022 in an unsurprisingly loss-filled month in December, the **S&P/TSX Composite Index** is on track to return more than 5% in January. That puts the index in positive territory over the past six months.

We've seen this type of run-up several times over the past 12 months, so let's make sure to keep our expectations in check. I'm as bullish as the next long-term investor, but I'm not oblivious to the fact that both interest rates and inflation remain uncommonly and concerningly high.

With that said, I'm not letting the condition of the Canadian economy prevent me from investing today. In fact, now could be an excellent time to put money into the Canadian stock market. Even with the recent run-up in January, there are still plenty of high-quality stocks on the TSX trading at serious discounts.

I've reviewed three Canadian stocks that are great buys, regardless of how the stock market is performing. All three companies have a long track record of success, and I don't expect that to change anytime soon.

Brookfield Asset Management

There's never a bad time to load up on shares of **Brookfield Asset Management** (TSX:BAM). The asset management company is as well diversified as any stock you'll find on the TSX. The company's broad international exposure as well as wide-ranging portfolio of assets provide its shareholders with plenty of much-needed diversification.

The stock was recently in the news for the spinoff from its parent company, which was renamed **Brookfield**. Brookfield Asset Management continues to operate as a full-service asset management firm, providing all the same benefits as a broad market index fund would.

If you're looking to add some diversification to your portfolio in 2023, Brookfield Asset Management should be at the top of your watch list right now.

Royal Bank of Canada

Valued as not only the largest Canadian bank but also the largest stock on the TSX, **Royal Bank of Canada** (TSX:RY) is one of the more dependable Canadian companies around.

It may be years until we truly understand how today's high interest rates will impact the stock prices of the major Canadian banks. What we do know, though, is that this is not the first time the banks have been hit with an uncertain time in the economy. The Canadian banks are the epitome of stability on the TSX, which is why I've got RBC on my own watch list today.

Shares are just about on par with the broader market's returns over the past year. But that's not including the bank's nearly 4% dividend yield.

Constellation Software

After last year's performance, I wouldn't blame investors for not having an appetite for investing in tech stocks right now. But for those with long-term time horizons, this could be a buying opportunity that you'll regret not taking advantage of.

Constellation Software (TSX:CSU) is actually positive over the past 12 months, after a strong start to 2023. Not many other tech stocks can say the same. That's partially due to the fact that Constellation Software is a mature and profitable company well past its high-growth days.

The tech stock continues to deliver market-beating returns but does so by trading at a fraction of the price compared to many other high-growth tech stocks on the TSX.

Growth investors looking to dial back the risk in their portfolios this year should keep their eyes on this dependable tech company.

CATEGORY

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3. TSX:RY (Royal Bank of Canada)

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