



2 Top Canadian Stocks I'll Buy Hand Over Fist This Month

Description

Stock investing is a risk-and-reward activity, although financial success depends mainly on your choices. Since most investors understand the inherent market risks, they mitigate them by diversifying or choosing companies from different sectors.

Enbridge ([TSX:ENB](#)), an energy stock, and **Alithya Group** ([TSX:ALYA](#)), which is in the rebounding tech sector, are an ideal combination today. The former is a [blue-chip](#) company and a well-established dividend payer, while the latter is a promising high-growth stock or multi-bagger. The pair could deliver stellar returns to shareholders over the long term.

Market mover

Trading volume is one of the handy tools for making investment decisions, and other traders look at volume to determine liquidity. Enbridge is a perennial volume leader on the TSX, which indicates the energy stock is a market mover. The Dividend Aristocrat trades at \$52.38 per share (+0.62% year to date).

The \$106 billion energy infrastructure company is a superstar in the eyes of long-term investors, including retirees. Besides its dividend-growth streak of 28 years, the dividend yield is mouth watering (6.73%). The recent increase in quarterly dividends was 3.2%.

Enbridge's total return of 54,826.52% in 47.16 years translates to a compound annual growth rate (CAGR) of 14.31%. The energy giant boasts four blue-chip franchises and a diversified low-risk pipeline utility model. Its legacy assets enable management to maintain a strong balance sheet and financial flexibility.

The business model is resilient as ever because of the cost of service/contracted cash flows (98%). For the full year 2022, the adjusted earnings and cash provided by operating activities increased 2.5% and 21.3% year over year to \$5.7 billion and \$11.2 billion. Furthermore, the \$18 billion secured capital program provides visibility to future growth.

Increasing scale and scope

This year, the [information technology sector](#) is the second-best performer thus far, with a 15.44% gain. Many of its constituents, including Alithya, are on the rebound. At only \$2.30 per share, the small-cap stock is up 13.30% year to date, with market analysts forecasting a return potential between 54.7% and 80.1% in one year.

The \$218.64 million, growth-oriented company offers digital technology and software engineering services, such as business strategies, enterprise cloud solutions, application services, and data & analytics. Its customers are companies in various sectors, including governments.

Management reported strong year-over-year revenue growth, improving gross margins and earnings before interest, taxes, depreciation, and amortization in the third quarter (Q3) of fiscal 2023. In the three months that ended December 31, 2022, revenues increased 19.2% to \$130.78 million versus Q3 fiscal 2022. However, the net loss widened 57.9% year over year to \$5.5 million due to increased business acquisition, integration, and reorganization costs.

Its president and chief executive officer Paul Raymond said the company delivered improvements on many important fronts during the quarter, despite global uncertainties. Alithya has the scale and scope to leverage its geographies, expertise, and integrated offerings. The primary goal is to capture the fastest-growing IT services segments and lead digital transformation.

Balanced approach

Enbridge and Alithya are excellent options for investors looking for a balanced in portfolio. You have a top-notch passive-income provider with a low-risk profile and a tech stock with a high growth potential. Consider taking positions in both this month.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALYA (Alithya Group Inc.)
2. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
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3. Koyfin
4. Msn
5. Newscred
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