3 No-Brainer Stocks to Buy in a Correction

Description

With as much short-term uncertainty as there is in the economy today, good luck trying to predict short-term movements in the stock market. Sky-high interest rates and inflation have many thinking that a recession is around the corner, whereas some believe it's already started. There's also the very real possibility that the worst is behind us and we're already on our way to enjoying another long bull run.

Despite all of the uncertainty, though, I'm certainly not stopping investing. In fact, now could be an incredibly opportunistic time for a long-term investor to be putting money into the Canadian stock market. The TSX is full of high-quality stocks trading at discounted prices.

I've put together a list of three top Canadian stocks that you don't need to think twice about buying. Through thick and thin, these are three companies you can count on over the long term.

Brookfield Infrastructure Partners

Utility stocks would be one of my top choices to invest in during times of uncertainty. Because demand tends to remain fairly consistent, regardless of the condition of the economy, utility stocks typically experience far less volatility than most other sectors of the stock market.

At a $20 billion market cap, **Brookfield Infrastructure Partners** (TSX:BIP.UN) is a Canadian market leader. The company also boasts an international presence with operations spread across the globe.

In addition to dependability, Brookfield Infrastructure Partners can be a passive-income generator for investors. At today's stock price, the utility stock's annual dividend of $2.04 per share is good enough for a yield above 4%.

If your portfolio needs a little extra defensiveness, this global utility company should be on your watch list.

Royal Bank of Canada

Speaking of dependability, you can't go wrong with investing in Canada's biggest bank. Not only that, **Royal Bank of Canada** (TSX:RY) is also the largest stock on the TSX right now.

Growth investors may not be overly excited by the thought of investing in one of the major Canadian banks. But growth isn't the main reason to have RBC on your radar, or any of the Big Five, for that matter.

The banking sector is amongst the top areas of the market to invest in for dependability. However, I'd suggest investors own a bank stock primarily for passive income. The Canadian banks have some of the longest dividend-payout streaks you'll find on the TSX.

RBC's dividend yield is just shy of 4% at today's stock price. Couple that dividend yield with the stability the bank stock can provide, and this makes it a no-brainer buy, especially during volatile market periods.

Northland Power

Last on my list is **Northland Power** (TSX:NPI), a renewable energy stock trading at must-buy prices.

The $8 billion company is trading more than 30% below all-time highs set in early 2021. Still, shares are up a market-beating 45% over the past five years. And that's not even including Northland Power's impressive 3.5% dividend yield, either.

Northland Power can't compete with the first two stocks I reviewed when it comes to defensiveness and dependability. But with regard to growth potential, the energy company is in a league of its own compared to Brookfield Infrastructure Partners and RBC.

Demand for renewable energy is only expected to continue growing in the coming decades. As a result, I wouldn't bank on Northland Power to begin trailing the market's returns anytime soon.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:NPI (Northland Power Inc.)
3. TSX:RY (Royal Bank of Canada)

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