



2 Canadian Stocks on My Radar Heading Into Q4

Description

After the year we've had so far, it's anyone's guess as to how stocks will perform through the upcoming quarter. And with plenty of uncertainty still surrounding the Canadian economy, it can be a difficult time for investors right now to sit and watch from the sidelines.

In 2018, the market went on a steep selloff throughout the fourth quarter. From October 1 to December 31, the **S&P/TSX Composite Index** dropped 10%. In 2019, during the same three months, the previously mentioned index rallied by 5%.

Heading into 2020, though, there are a few additional variables to consider. The pandemic will likely limit holiday travelling significantly. What remains to be seen is how the retail world will be impacted. Just because people aren't travelling, does it mean they won't still be shopping just as much?

Stay calm, and keep investing Foolishly

The beauty of being a long-term Foolish investor is that you don't need to worry about short-term movements in the stock market. And with all the distractions happening in the world today, there's a decent chance that there will be high levels of volatility continuing through these three upcoming months.

With that said, I've put together a list of two companies that I've just added to my watch list. If the market takes a turn for the worst, I'll be ready to put some cash to work in these two Canadian stocks.

Royal Bank of Canada

While Canada's largest bank might not be the most exciting company heading into Q4, the **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) deserves serious consideration for any Canadian long-term investment portfolio.

RBC has outperformed the broader Canadian market for the past five- and 10-year periods, and there's no reason to believe why the bank won't continue to do so.

[The valuation](#) is a major reason why I've added the \$130 billion bank to my watch list. The stock trades today at a relatively cheap price-to-earnings ratio of 11, and a price-to-book ratio of 1.6.

Not only is this one of the most reliable Canadian stocks investors can find on the market today, but it also provides a dividend yield that is hard to match.

At today's stock price, the dividend yield is equal to 4.5%. The dividend pays shareholders \$4.32 per share, split over four quarterly payments throughout the year.

Docebo

To balance out the slower-growing bank, I've added the tech company **Docebo** ([TSX:DCBO](#)) to my watch list. This growth stock has already seen its stock price surge more than 175% year to date. The company's publicly-traded track-record is short, though, having joined the public market roughly one year ago.

The [growth potential](#) is why I'm interested in this tech stock. Docebo specializes in providing cloud-based learning platforms that are used to train both employees and customers. The company also already has a global footprint, with customers in North America, Europe, and Asia.

There's no denying that the pandemic has largely disrupted many employee's work routines. It was not uncommon to see employees ditch their office space earlier this year to set-up a new home office. If that trend turns out to be a long-term one, Docebo will likely see many more years of growth ahead of it.

Foolish bottom line

Sometimes it's best to avoid all the noise and just stick to your plan — and that's exactly how I'm treating my investment thesis heading into the year's fourth quarter.

There's no sense in worrying about how all the global external factors will affect your portfolio in the short-term. Instead, look to add quality companies to your portfolio so you can take advantage if the market decides to drop dramatically at any point over the next three months.

CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

POST TAG

1. Docebo
2. docebo stock
3. RBC

4. RBC stock

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. TSX:DCBO (Docebo Inc.)
3. TSX:RY (Royal Bank of Canada)

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Author

ndobroruka

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