



3 Top Long-term Buys Emerging From the Market Correction

Description

Too many investors get caught up in the hype surrounding market corrections, causing them to trade too readily and damage their prospects for investing success. One of the keys to successful investing is to invest for the long term in companies with easily understood businesses and wide economic moats.

Warren Buffett, arguably the world's greatest investor, is an advocate of this theory and is renowned for stating "Only buy something that you'd be perfectly happy to hold if the market shut down for 10 years."

With this in mind, let's take a look at three top Canadian stocks that are attractively priced after the market correction.

Now what?

It is hard to go past Canada's largest telco **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)), with it down by 13% for the year-to-date. This presents investors with an opportunity to acquire a solid business that has a wide economic moat and touches almost every Canadian in one way or another.

Furthermore, its focus on expanding its network and suite of products, along with rationalizing its business, will help to boost earnings over the long term.

Let's not forget that BCE pulled through the last economic crisis virtually unscathed and even hiked its dividend when many companies were either slashing or ending their dividend payments altogether. Patient investors continue to be rewarded by its juicy 5% yield as they wait for it to appreciate in value.

Asset manager **Brookfield Asset Management Inc.'s** ([TSX:BAM.A](#))([NYSE:BAM](#)) share price has dropped by almost 5% since the start of the year, offering investors a handy entry point into what is arguably the world's best alternative asset manager.

By investing in Brookfield, investors gain access to a global diversified portfolio of assets that operate in both developed and emerging markets without leaving the comfort of Canada. A significant portion of

its assets operate in oligopolistic industries with wide economic moats that protect their earnings.

When this is coupled with its accretive acquisitions, which saw it deploy US\$4 billion during the second quarter 2015 to new investments that included transport assets in Brazil, wind power assets in Scotland, and a U.K. resort property operator, its earnings can only continue to grow. Then there is the sustainable 1.5% dividend yield that will reward investors for their patience as they wait for its stock to appreciate.

Another great opportunity is integrated energy major **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)), which has seen its shares plunge by 18% since the start of 2015. While this choice may be on the nose for some investors because of the sharp collapse in oil and the likelihood of sharply weaker oil prices for some time to come, it is an attractive opportunity for a number of reasons.

Among these are its low breakeven costs per barrel, with Suncor's existing oil sands operations only needing West Texas Intermediate of US\$30 per barrel to break even. Its refining operations also give it an edge; it is able to generate higher margins for as long as oil remains weak, thus helping to offset reduced profitability in its downstream operations.

Surprisingly, despite the rout in crude, Suncor recently hiked its dividend by almost 4%, which will reward investors with a juicy 3.5% yield while they wait for oil prices to rebound.

So what?

All three stocks are certainly not short-term plays. They embody all the aspects of Buffett's philosophy of buying easily understood businesses and then holding them for the long term. More compelling is that while investors hold these stocks for the long term, they will continue to be rewarded by regular, sustainable dividends.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BN (Brookfield Corporation)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BN (Brookfield)
6. TSX:SU (Suncor Energy Inc.)

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Date

2025/08/03

Date Created

2015/08/31

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