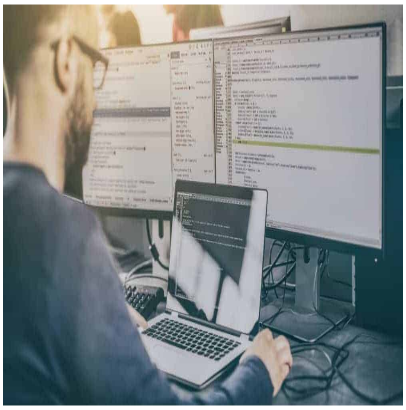

2 Unreasonably Battered Dividend Stocks I'd Buy Before a Correction

Description

Canadian investors are always on the look out for a great deal, and that means finding solid stocks that provide a bargain. This usually happens when an industry or the markets as a whole are in a downturn. So, if you have some cash set aside for such an investment, there are some great options out there. Today, I'll be focusing on two.

TD

The banking industry as a whole has been trying to prove its worth over the last few months. Analysts are warning that banking stocks will be sinking, and soon, come a recession. This has been scaring off investors, and in some cases it's been unjustified.

That seems to be the case with **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). At first, you might look at the stock's recent performance and think I'm crazy to call it battered. After all, since the market slump around the new year, the stock has been trending upward — up 13% since the dip.

But what I'm interested in is the company's net asset value (NAV), and while the stock trades at $76.43 at writing, analysts put its worth closer to $81. That another potential upside of almost 7%. If we look even further ahead, analysts expect the stock to move past the $90 mark — another upside of almost 20%!

Where does that potential come from? The company's recent expansion into the United States, where TD is now Canada's most American bank. The company is one of the top 10 banks in the U.S. and is still growing fast. Next up on the agenda is expanding into the high-margin area of wealth and commercial management. So, investors should be thrilled to buy at this price.

Enbridge

Another industry that has been beaten down lately is the oil and gas industry as a whole. Prices seemed to be on the rebound a couple months back but have again slumped, leaving even wellestablished companies like **Enbridge** (TSX:ENB)(NYSE:ENB) with stock prices far below NAV.

The stock currently trades at $48.08, after climbing its way back from a $41 stock price, reaching the $50 mark and then crashing down yet again due to the pause on its Line 3 project. But again, if we look at the NAV for this stock, shares *should* be trading at $62 — an upside of almost 30%!

All this stock needs is two things to get going again: the rebound of the oil and gas industry and for its expansion projects to come online. The company has US$16 billion worth of growth projects in the works, all set to be running by 2021. They've paid for this through the extensive long-term contracts that will continue bringing in steady cash for decades.

Again, here we have an industry heavyweight being weighed down by a slow industry. For investors looking for a bargain, you can't get much better than Enbridge.

Foolish takeaway

Both of these stocks are part of industries that have been beaten down in the last year. While there are definitely some stocks out there that need the industry to rebound before investors should consider them again, these two are not those stocks. Both TD and Enbridge offer investors long-term gains should they buy now at such a cheap price. They also offer two solid dividends that should keep investors happy while they wait for the rebound.

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2. Investing

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2. NYSE:TD (The Toronto-Dominion Bank)
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