3 Absurdly Cheap Stocks to Buy Right Now

Description

This year, investors just can't seem to catch a break. A recession has been on the minds of investors for months now, with most analysts saying what investors should worry about is not "if" the recession will hit but "when" and "how bad" it will be.

A number of factors have been contributing to the poor market downturn. There's the trade war between China and the United States, with Canadians unsure of how this could affect them. There's the potential downturn in the housing market. And now there's an inverted yield curve on either side of the border.

Yet through all this, with investors selling ahead of a recession, there are stocks out there that deserve to either stay in your portfolio or, better still, to be bought in bulk.

So, let's look at three stocks that are so cheap right now, it's embarrassing, providing you with a big bargain.

Suncor

Suncor Energy (TSX:SU)(NYSE:SU) really has no reason to be trading in the mid-$30s right now. The stock has a fair value of about $47 per share, according to analysts, yet it trades much lower. The only major reason is the economic downturn, and the slump in the oil and gas industry. But these are both out of the Suncor's control, and the company has still been performing well under the circumstances.

Suncor is a diversified company with parts of its business that pick up the slack when oil and gas are down. This helped the company even increase its dividend by 17% for 2019, as higher production and strong downstream asset performances brought in a fair amount of revenue.

Clearly, investor icon Warren Buffett was convinced, as his company recently picked up a huge stake in Suncor during this downturn. With a potential upside of 27% as of writing just to meet fair value, investors should take a good look at this stock.

TD

Another stock worth investor attention is **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD), one of the only banking stocks that has produced good news ahead of a recession. In fact, TD generated $12 billion in adjusted profits for fiscal 2018 and has stated it's already on track to outpace that for this year.

Much of this comes from the company's expansion into the United States, with TD now one of the top 10 banks in the country. Combine this with TD's recent move into the wealth and commercial management sector, and the company has a highly lucrative future ahead.

Yet the stock trades 12% below fair value, making now an ideal time to pick up this stock before things turn around. Besides, even during the recession, you'll be able to take advantage of the company's solid 4.08% dividend yield.

Nutrien

A less-obvious option for investors right now is **Nutrien** (TSX:NTR)(NYSE:NTR). The stock has jumped up and down like a yo-yo since its introduction in 2018, with the company trading at writing around $65 per share; not far from its initial public offering (IPO) price.

But this is another fantastic buy-and-hold stock for investors willing to be patient. Nutrien has already had an excellent year, with 2020 looking even better for the company. The company boasts the top spot as the world's top fertilizer maker, and even during tough economic and weather conditions, it still increased its potash and nitrogen business. Nutrien has plenty of room to grow, as it continues to bring farming into the 21st century.

Yet the stock trades at an incredible 38% below fair value, making this stock an absolute steal. You'll also be able to take advantage of a hefty 3.54% dividend.

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5. TSX:SU (Suncor Energy Inc.)
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Author
alegatewolfe