



## 2 Stocks You Should Buy in September

### Description

The **TSX** has a number of stocks that are screaming buys for value-oriented investors. While most of these are in the oil and gas sector, there are a number of other companies that are sitting at levels that call for taking action today.

I infrequently buy up to a full position of my portfolio immediately, usually choosing to ease my way in overtime, as most stocks I buy have a tendency to work their way lower after my initial purchase.

This is partly due to my tendency to be a contrarian bottom feeder in most cases (about 90% of my purchases), as many value stocks continue to get even cheaper sometimes for years before turning around.

There are two stocks for which I have made an exception in recent months, **Maxar Technologies Inc.** ([TSX:MAXR](#))([NYSE:MAXR](#)) and **Methanex Corp.** ([TSX:MX](#))([NASDAQ:MEOH](#)). Both of these companies have interesting business models that justify a closer look. Furthermore, both have fallen significantly from their recent highs, resulting in a compelling entry point.

Of the two, Maxar is by far [the cheapest](#). The space technology company has been decimated over the past year, falling from as high as \$50 a share to under \$10.

A series of incidents resulting from poor choices and bad luck have scared investors away from the stock. But in my view, this is an excellent opportunity to bet on a turnaround.

This is a bottom feeder situation whereby the stock has been beaten up so much that the upside odds now outweigh those of further downside, in my opinion.

Much of Maxar's revenue comes in the form of government contracts focused on defense spending and space missions — high priorities for many governments, including the United States.

While the yield on Maxar has been cut to next to nothing, there is the possibility that it will reinstate the payout if the business begins to turn around.

Methanex also has seen its share price fall significantly from a high of over \$100 a share to its current level of just over \$40. The business is very attractive as well, as it focuses on low-emission energy

generation from methanol, a clean-burning biodegradable fuel. The company has operations worldwide across regions and industries.

Of course, this also means that it's susceptible to the recent trade difficulties and the threat of an economic slowdown. If the demand for its product decreases, it would certainly affect the bottom line.

However, similar fears impacted the company's share price a couple of years ago, yet it managed to quickly bounce back.

Methanex has an added bonus that Maxar does not have — [a dividend](#) of over 4% at current prices. This dividend has been steadily raised for years, and those increases should continue well into the future given its payout ratio of only 30% of earnings.

## The bottom line

Both companies have been severely punished and stand to have a significant bounce if times turn positive for them. Methanex is especially well positioned, with a stable dividend to boot.

Maxar is definitely more of a risk, but has more potential for explosive upside as witnessed this week. In summary, both of these companies are worth getting into this September.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NASDAQ:MEOH (Methanex Corporation)
2. NYSE:MAXR (Maxar Technologies)
3. TSX:MX (Methanex Corporation)

### PARTNER-FEEDS

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**Author**

krisknutson

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