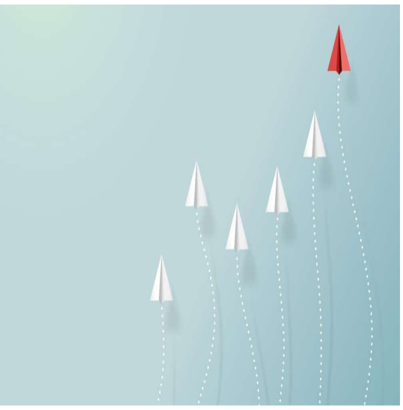

My Top 2 Stocks to Buy in This Correction

Description

The **S&P/TSX Composite Index** recorded yet another triple-digit decline on March 5. This was a day after the index had shot up over 300 points following a 50-basis point interest rate cut by the Bank of Canada. At the time of writing, U.S. futures were down. Investors are not in the clear as this market continues to demonstrate volatility.

Last week, I discussed how investors can take advantage of major market retreats. Valuations have been sky-high for months, which has made it tough on prospective buyers. This turbulent period is not over, but investors should be looking for entry points in high-quality equities. In doing this, investors can emulate investing legends like Warren Buffett.

Today I want to look at two of my favourite stocks on the TSX. These equities are primed for big growth in the years to come, and now is a perfect time to add them on the dip. Let's jump in!

ATS Automation

A study from Allied Market Research recently projected that the market size for global factory automation would reach $368 billion by 2025, compared to a value of $190 billion in 2017. This would represent a compound annual growth rate of 8.8% over the forecast period. Automation will be a game changer in our economy in the decades to come, and investors should look for exposure sooner rather than later.

ATS Automation (TSX:ATA) offers that exposure. This company provides factory automation solutions to a global client base. Its shares have dropped 5.4% over the past month as of close on March 5, and are down 13% so far in 2020.

ATS Automation released its third-quarter fiscal 2020 results on February 5. The company's order backlog rose 1% to $939 million and revenues increased 14% year over year to $367 million. In the year-to-date period adjusted earnings per share have climbed 11% to $0.80.

The company boasts a fantastic balance sheet and its earnings are projected to post strong annual growth in this promising subsector. Shares possess a favourable price-to-book value of 2.1 and the stock has just climbed out of oversold territory.

Goeasy

Goeasy (TSX:GSY) stock has been a star over the past decade. The current pullback presents a great opportunity to add this exciting company at a discount. Its shares have dropped 11.5% over the past month as of close on March 5. Canadian personal debt has exploded over the past 10 years, and Goeasy has emerged as a highly successful alternative for those seeking credit through its *easyfinancial* and *easyhome* branches.

In its fourth-quarter and full-year earnings report for 2019, Goeasy reported adjusted net income of $80.3 million – up 51% from the prior year. Adjusted diluted earnings per share rose to $5.17, which was up 45% from $3.56 in 2018. The company’s loan portfolio increased 33% to $1.11 billion. Goeasy achieved its 39th consecutive quarter of same store sales growth and 74th straight quarter of positive net income.

By the end of fiscal 2022, Goeasy is projected to have a total gross consumer loan receivable portfolio of $2 billion at the high end of its guidance. Goeasy stock last possessed a favourable price-to-earnings ratio of 15 and a price-to-book value of 2.7. The company increased its quarterly dividend payout to $0.45 per share, which now represents a 2.8% yield. There is phenomenal growth potential at Goeasy as we look ahead to the middle of this young decade.

CATEGORY

1. Investing

TICKERS GLOBAL

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2. TSX:GSY (goeasy Ltd.)

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1. Business Insider
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1. Investing

Date
2025/09/10
Date Created
2020/03/06
Author
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