



2 of the Cheapest TSX Blue-Chip Stocks

Description

What we have seen from markets this week is a major black swan event. Everywhere you look, stocks are plummeting, inevitably creating a tonne of fear among investors. It's also creating incredible opportunities, especially to buy top **TSX** blue chips.

Blue-chip stocks are great business to own and build a core portion of your portfolio with. They are major companies that can be relied upon to provide you with consistent long-term growth.

Because the stocks are so popular and well loved by investors, the share prices almost always trade at a premium.

The one time that there is an exception to this is now, when markets are falling rapidly.

Two of the cheapest blue-chip stocks to buy today are **Nutrien Ltd** ([TSX:NTR](#))([NYSE:NTR](#)) and **Suncor Energy Inc** ([TSX:SU](#))([NYSE:SU](#)).

Energy blue chip

The pace at which the price of oil has fallen this week has gotten a lot of investors' attention, so it's not surprising that Suncor's share price has fallen sharply.

Suncor is a high-quality, long-term company though, so it remains a top investment and one of the best stocks in the energy industry.

The integration of its upstream, midstream and downstream segments gives the company a lot of flexibility, allowing it to remain robust when many of its peers are struggling — not to mention that it owns a variety of assets with plenty of growth potential for decades.

Given the company's strong management, you can be comfortable owning it for the long term, as you know your capital will be protected.

Suncor is clearly a high-quality business, one of the main reasons why it's one of the only Canadian stocks that the world's greatest investor, [Warren Buffett](#) owns.

Its stock has plummeted though as oil prices have fallen and is now extremely cheap. It's a major overreaction however, as Suncor is such a robust business.

It needs oil at just \$40 WTI to sustain its cash costs, maintenance capital expenditures and its dividend. And it needs less than \$30 WTI if it was to temporarily trim the dividend, so the company is clearly stable for the long term.

Its dividend yields more than 8%, and going forward, the yield will depend on whether \$30 oil prices stay. Whatever happens, however, will be the best decision for the future of the business and long-term investors.

The entire energy industry just went on sale in Canada, and Suncor is one of the best of the bunch.

Agricultural blue chip

Nutrien is a unique company and a great business because it's such a dominant company in its industry.

It's the largest provider of crop inputs, services and solutions in the world, which helps to grow food production around the globe in a sustainable manner.

Because of its natural position and high-quality operations, the company is a clear-cut winner long term.

Plus, it serves an industry that will grow along with the world population. In addition, the industry has massive barriers to entry, making Nutrien's competitive advantage one of the most attractive features.

Similar to Suncor, its business is also integrated, another reason why it's such a high-quality, long-term investment.

Prior to this market selloff, the stock was already facing some short-term headwinds. Now, with both issues combining, investors can gain exposure to Nutrien at an extremely opportune price.

As of midday Thursday, the stock was trading around \$40, bringing its dividend yield up to roughly 5.3%. In addition, it's trading at just 17 times its trailing earnings, which is incredible value for a \$25 billion blue-chip like Nutrien.

Bottom line

There are a number of high-quality companies trading at massive discounts, and these are just two of the cheapest. It's paramount that investors always remember to think long term — and use this opportunity to build your portfolio for the future.

CATEGORY

1. Dividend Stocks

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2. NYSE:SU (Suncor Energy Inc.)
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