



2 Top Stocks to Buy During a Downturn

Description

Admittedly, it can seem counter-intuitive to think about buying up top stocks during a market downturn. The more money you put toward your investments, the more money you could see shrink. However, that shrinking will be in the short term.

Long term, however, investors should be looking at making investments at a good price that will see them through for decades, not just a couple of months or a year.

While it's not difficult to find stocks trading below fair value at the moment, the key is to find the top stocks for your portfolio.

A few points should be kept in mind. First, look at stocks with a strong history of growth, as those stocks should continue those trends for years more. Then, a dividend stock is always a smart investment. Every quarter you'll receive funds you can put toward reinvesting in your portfolio.

So let's look at two great options during today's market downturn.

Fortis

There are a number of great points to make about **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) — first and foremost it's that this company is [not dependent](#) on how the United States' or Canada's economy is doing.

No matter what, people need to keep the lights on. It's this simply fact that has kept Fortis going strong for decades, making acquisitions and increasing its stable dividend multiple times along the way.

Analysts believe the company will continue to produce strong earnings growth, with a projected 6.5% of annual earnings growth per year over the next coming years mainly due to its aggressive capital expenditure plan. Investors should see those earnings reflected in the company's dividend, which right now sits at 3.48%.

While it's true the company may ultimately overpay for future acquisitions, those acquisitions will be added to the pool of others Fortis has taken on, and will eventually lead to even more cash coming in. And thus the cycle of growth will continue for decades.

Suncor

Many investors are wondering, Was [Warren Buffet](#) wrong about **Suncor Energy Inc. (TSX:SU)(NYSE:SU)**? Buffet made a huge purchase of Suncor shares back in February of 2019, and while the company saw a bit of a boost, it's unfortunately sunk as the oil and gas industry continued to dwindle — and then plummeted with the recent news from Russia and Saudi Arabia. The stock price is less than half what it was back in August 2018, when it reached about \$55 per share.

Although Suncor is being lumped in with the rest of the dwindling industry, it really shouldn't be. It's Canada's largest integrated energy company, which means that while one area might be down, other areas are currently picking up the slack.

With lower oil prices, the company's refinery process will much cheaper to operate. Suncor has thus continued to produce relatively strong earnings even while its stock price is down, and the company should bounce back in no time.

Don't believe me? The company's dividend should speak to its confidence, as management recently gave it an 11% bump to 5.35% per share per year.

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