2 Dividend Stocks to Buy Low Now and Sell High Later

Description

When stock markets were already trending cautiously due to the growth and supply-chain fallout of the COVID-19 outbreak, the sudden dip in oil price made matters worse.

As a result, markets all over the world crashed. Even though an extremely bearish market is not something investors want, it offers them an opportunity for the time ahead.

Buying the dip can turn out to be a winning investment strategy given that you are choosing your stocks carefully.

Here, I am going to discuss two dividend stocks that you can consider buying now to sell at a higher price in the future.

Fortis Inc.

Fortis Inc. (TSX:FTS)(NYSE:FTS) is an electric utility company that has been working in almost the entire North American Region. Based in Canada, the utility company has been operating energy infrastructure in the U.S., Central America as well as the Caribbean Islands.

Fortis shares have been trading low since mid-January. After the recent market crash, you can expect the stock to dip further. However, there's a strong chances that the Fortis will recover from the current mayhem and register growth again.

The reason why Fortis can withstand the ongoing financial depression is its unique business blueprint. As a utility company with a large operational radius, Fortis never goes out of business and maintains a steady cash inflow.

During the 2008 recession, when most of the stocks and holdings fell by more than half the prices, Fortis managed to stop the drop at 15%.

The five-year capital project plan by Fortis hints at excellent future growth for the company. Fortis is going to invest over $18 billion in these projects that can increase its rate base around $38 billion in the next four years.

Fortis stock has witnessed the growth of 73.35% in the last five years, and this can continue with the successful execution of future capital projects.

Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) is an integrated energy company that primarily deals in oil sands . The company doesn't just drill crude oil, but also runs four refineries and a network of over 1,500 **Petro-Canada** filling stations.

This holistic portfolio that covers upstream, midstream, downstream legs of the oil and gas sector makes Suncor Energy unique among other oil companies and less vulnerable to crude price fluctuations.

Regular oil producers drill crude and sell it as the final commodity. Falling oil prices severely affect such companies who just manage the one end of the supply chain.

In contrast, integrated oil companies like Suncor have the avenues to offset the profit cutbacks caused by the crude price drop. For instance, refinery margins rise when oil prices drop, and this is where Suncor can capitalize on the situation.

Since the beginning of the year, the Suncor Energy stock fell by around %15. You can consider buying the dip on this stock to sell it later for higher prices.

Conclusion

Dividend stocks don't just offer a regular stream of additional income. You can also benefit from the overall growth of such stocks.

Today, when the entire market is experiencing depression, you should buy the dip on dividend stocks that are better expected to recover from the current plunge and can register high growth again.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Energy Stocks
2. Investing

Date
2025/08/25
Date Created
2020/03/20
Author
jhoang