



2 TSX Stocks I'd Buy With \$5,000 Today

Description

The market environment we are currently in came quickly and with relatively no notice. The rapid decline of many stocks across the world has caught many investors off guard.

This has led to mass panic, which in turn has led stocks to fall even faster. For investors who have been on the sidelines or those with a significant amount of cash to deploy, this is a major opportunity.

Many stocks haven't been this cheap in years and may never be again.

Two of the cheapest stocks that offer the best value today are **Nutrien Ltd** ([TSX:NTR](#))([NYSE:NTR](#)) and **Pizza Pizza Royalty Corp** ([TSX:PZA](#)).

Fertilizer stock

Nutrien is an integrated agriculture company that is the largest producer of potash and third-largest producer of nitrogen fertilizer in the entire world. It's a crucial company in getting high-quality fertilizers to our farmers who are at the heart of our agriculture industry.

Nutrien's operations go beyond that though, as the company is integrated top to bottom. It even owns a massive retailing business with more than 2,000 locations in seven countries.

In addition, it provides digital support to its customers. By aiding its farming customer through the digital tools it provides, it does two things. It grows brand loyalty, which in turn helps to bring more customers back. Second, it helps customers yield more crops, which in turn should lead to more sales for [Nutrien](#).

The stock is a great company and an ideal business to own for decades.

As of Thursday's close, the stock was more than 45% off its 52-week high, presenting great value for investors. It's especially appealing when you consider the average analyst target price is roughly \$74. That's more than 100% upside from here.

Plus, the stock is yielding roughly 6.7%, a considerable dividend to collect while you wait for the stock to appreciate.

Royalty stock

Pizza Pizza is a restaurant royalty company that receives a percentage of all sales in its Pizza Pizza and Pizza 73 restaurants across Canada.

The fund aims to pay out investors as much as possible, so it regularly trades with a high-dividend yield. The recent sell-off however, has sent that dividend through the roof.

As of Thursday's close, Pizza Pizza's dividend was yielding upward of 13.8%.

Something to watch with Pizza Pizza's dividend however, is its instability. However, with royalty companies, even a small 10% reduction in the dividend can go a long way.

And given that Pizza Pizza's payout ratio has only barely exceeded 100% over the last few quarters, if any dividend cut happen, the move will be slight.

One thing to note about Pizza Pizza is that in the current market environment, the company is still operating. With many ordered to stay at home and restaurants ordered to close, businesses like Pizza Pizza known for their takeout and delivery will continue to see demand.

There's no telling what may happen going forward in regard to closures, but currently the company is still in great shape.

Regardless of what happens in the short run, whether it's positive for the company or not, it's one of the most well-known brands in Canada, so it's not going anywhere.

Investors who buy today can lock in an exceptional dividend yield and buy the shares well undervalued before the stock inevitably returns to pre-crash levels.

Bottom line

Both these stocks are trading at prices offering major long-term returns.

Nutrien is a core stock that you can expect to hold for decades. Pizza Pizza, on the other hand, is a stable income generator, offering a massive dividend at these levels.

An investment of \$5,000 equally weighted in both would yield more than \$510 annually, while offering major capital appreciation potential. That's an attractive proposition that's decidedly hard to pass up.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:NTR (Nutrien)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/08/24

Date Created

2020/03/22

Author

danieldacosta

default watermark

default watermark