



## Today Is a Great Day to Buy TSX Stocks

### Description

The last few weeks, we have witnessed a market crash like we've never seen before. To make matters worse for us north of the border, the price of oil has collapsed too, hurting TSX stocks even more.

The stock market crashing this much in terms of percentage isn't that odd. What's different this time is just how fast stocks have fallen.

With economies virtually shutting down completely and all at once, there has been a major shock to the economic system. This has sent stocks into a tailspin with so much uncertainty sparking mass fear.

Since February 24, when markets began to fall, both the S&P 500 and the TSX are down by more than 30%.

This has hurt investor's portfolios considerably (on paper). However, it has also created a number of opportunities to buy stocks as cheap as possible.

### TSX stocks

As I said before, the TSX is now sitting more than 30% off its 52-week high, or where it was just four weeks ago. That's an incredible discount, and one that shouldn't be passed up.

Investors can get top growth stocks like **goeasy**, for example, for nearly 75% off where it was just a few weeks ago.

goeasy is a consumer finance company that will likely face some short-term headwinds, but the business's portfolio is strong enough to withstand higher delinquencies.

Or you could buy a high-quality dividend stock like **Pizza Pizza Royalty**. Its dividend usually yields around 7% or 8%, but after the sell-off these last couple weeks, it's been yielding upwards of 13% to 14%.

Pizza Pizza is down by roughly 35% over the last month — another great deal for investors to consider.

A third quality choice would be a TSX stock like **Northland Power**. [Northland](#) offers investors a more defensive business to invest in. The company is a renewable energy company that also has utility assets.

Its long-term power-purchase agreements and revenue it receives from its utilities business give it highly reliable cash flow that it uses to fund its dividend, which is yielding more than 5.5%.

Northland is down just over 30% as well — a major discount for a high-quality stock with reliable cash flow.

## TSX ETF

Even if you don't want to invest in specific stocks, it's crucial just to get into the market at these prices.

A solid substitute to investing in specific stocks is to buy an investment like the **iShares S&P/TSX 60 Index ETF** ([TSX:XIU](#)).

Buying an index ETF like the XIU allows investors to get exposure to a wide range of TSX stocks. The advantage of which mitigates company specific risk considerably.

It's an attractive proposition, especially with the index trading so low, as it gives investors considerable potential for capital appreciation. Plus, in addition to the capital appreciation, investors also get exposure to its dividend, which is funded by numerous companies.

That dividend is currently yielding more than 4% based off the trailing dividend rate. And the dividend is increased virtually every quarter as the economy booms, since it's funded by so many companies.

The consistent dividend increases are something to look forward to, when businesses start to recover after this catastrophe eventually passes.

Keep in mind, though, that going forward the dividend will likely be reduced, as some companies trim their dividends. However, because XIU is funded by numerous companies, you can always count on at least some income every quarter.

And when things start to rebound again, look for not only the ETF to grow but its dividend rate, too.

## Bottom line

This may be the best time we have seen in years for Canadians to buy TSX stocks.

These valuations won't last long, though, so investors need to act quickly and decisively. That way, you can be sure to lock in these discounts and be well positioned for the next bull run.

## CATEGORY

1. Dividend Stocks

2. Investing

## **TICKERS GLOBAL**

1. TSX:XIU (iShares S&P/TSX 60 Index ETF)

## **PARTNER-FEEDS**

1. Business Insider
2. Msn
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