TSX Stocks: 2 Canadian Giants That Lost 70% Amid Coronavirus Crash

Description

This has been one of the most brutal market crashes ever. Many major global equity indexes are down about 40% since last month. The **S&P/TSX Composite Index** has not been an exception and has lost approximately 38% in the same period.

To add to the coronavirus woes, energy markets were under excessive pressure due to record low oil prices. Thus, along with aviation and hospitality, energy stocks have also been notably weak in the last few weeks. More concerningly, even after these stocks have more than halved in value in just a month, there is still no end in sight.

Pick up high-quality Canadian heavyweights

Let's take a look at some of the most corrected stocks amid the market crash since last month. One of them is the energy giant **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ). Just a month ago, this energy titan was trading comfortably around $40 levels, and now it has fallen close to $11.

Although Canadian Natural stock has fallen to multi-year low levels, its strong fundamentals and competitive advantages remain intact. It is one of the lowest-cost producers in the country with an unmatchable set of oil sand assets.

Even if the company announced a cut in its capital spending plans for 2020 recently, it has kept the production volume guidance unchanged. Interestingly, Canadian Natural reported consistent earnings and free cash flow growth in the last few years, when the whole energy sector was bleeding.

With a yield of 14% and a P/E valuation of less than 10 times, Canadian Natural is one of the most attractive investment bets among top TSX stocks.

Coronavirus crash: Huge blow to hospitality and aviation

Hospitality and tourism took a major dent amid the virus outbreak in the last few weeks. Thus, Canadian fast-food and quick-service restaurant company **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) was at the receiving end. The stock fell close to $37 levels last week — its lowest levels in the last five years.

However, Restaurant Brands remains a high-quality business with solid fundamentals. Its 26,000 restaurants across more than 100 countries give it a scale and diversification, which bodes well for earnings stability. Although Tim Hortons, one of its key brands, failed to impress, Popeyes and Burger King have contributed strong growth recently.

Restaurants Brands stock is trading 18 times of its last year's earnings, which looks attractive at the moment. It indicates a large discount against its five-year average valuation around 40 times. Its discounted valuation and a juicy dividend yield of 6% make it an alluring bet for long-term investors.

Legendary investor Warren Buffett-led **Berkshire Hathaway** holds around 8.4 million shares of Restaurant Brands. Even if his position is in the deep red, the legendary long-term investor might keep holding on to it.

The broader markets might continue to trade weak in the near future and so will Restaurant Brands stock. Thus, it will be wise for investors if they spread out their buying over a period. It would be against investors' impulse to buy when the markets are crashing every day. However, high-quality businesses at such attractive levels is a rare combination.

CATEGORY

1. Coronavirus
2. Investing

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2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:QSR (Restaurant Brands International Inc.)

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