



Why Now Is the Best Time to Buy TSX Stocks

Description

The last month has been one of the best times in the last few years to buy TSX stocks. As we have seen for years, these opportunities don't come around very often. This makes it even more paramount that investors get exposure now. Especially since there's no telling when another opportunity this great will be.

Even back in the middle of the decade, during the last oil price shock, the opportunities weren't this great. During that time, the TSX declined significantly, and Canada's economy even went into a short recession. However, only energy stocks were really affected enough to become major buys.

The problem with the current economic environment we are in is the large number of unknowns. Although uncertainty is normal during economic slowdowns, uncertainty at this level is unprecedented.

Not only is it still unclear how long mandatory shutdowns will last, but it's also unclear how the economy will recover after this has passed.

For this reason, investors may be holding off on buying stocks in hopes that the market may continue to decline.

Uncertainty creates opportunities to buy stocks

Although that thinking is somewhat forward looking, it's also highly speculative. Just as buying a stock for the wrong reasons is speculative; so too is not buying stocks when they are this cheap.

And when you wait and hope for lower prices, you take on major risk that you may never buy these TSX stocks, even as cheap as they are right now.

That is a dangerous proposition, as the stocks you buy now will make up the majority of your portfolio's gains through the next bull run. So, if you pass up these stocks now, your portfolio could severely underperform for years.

Instead, investors should look to add TSX stocks that are already buys today and wait to add other stocks that may still be overvalued.

Regardless of how much this situation will weigh on earnings in the next few quarters, or whether we enter a recession or not after, the economy will recover, and long term these businesses will be worth much more.

That's all that should matter, as short-term noise only clouds judgment and has little effect on long-term outcomes.

A top TSX stock to buy

For example, at current prices, a stock like **Parkland Fuel** ([TSX:PKI](#)) is a screaming buy.

Parkland is a fuel supplier, marketer, and convenience store operator. The company operates in Canada, the United States, and the Caribbean.

Because it's in the energy business, investors have been concerned with Parkland's short-term issues. With the large majority of people working from home and cancelling any travel plans, the demand for fuel has taken an unprecedented hit. While this is a significant impact on business, it's well known by everybody that these restrictions are only temporary.

But all that should matter is the massive discount you can get because of these headwinds.

Before all of this mayhem started in markets, Parkland was one of the top [growth stocks](#) in Canada. It had an ambitious but achievable goal of doubling its business in the five years from 2018 to 2023.

The current environment will no doubt affect that timeline. However, it's nice for investors to know what a solid growth company they could own, when things begin to normalize in the economy.

Plus, it's not often you can buy major growth companies that have a dividend yield of nearly 5%. And based on last year's earnings, that dividend yield had just a 50% payout ratio.

Bottom line

There are numerous stocks out there just like Parkland — top TSX stocks you can buy at huge discounts because of short-term headwinds.

Those investors who take advantage of this will be set for years. So, don't miss out on this major long-term opportunity; there may not be another for a while.

CATEGORY

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2. Dividend Stocks
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TICKERS GLOBAL

1. TSX:PKI (Parkland Fuel Corporation)

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