



Millennials: What to Buy Before the Rebound

Description

It's been a scary couple of months for Canadians. After over a decade of strong economic growth, 2020 didn't wait long before sinking any positive feelings we had going into the new year. A virus has appeared, putting our finances at severe risk in many cases. Millennials in particular have been especially hard hit as many of us don't have the job security that our parents and peers above us might have and indeed are likely to be in the gig economy.

Some of those finances are likely tied up in stocks — and it's been a terrifying trip for investors. The **S&P/TSX Composite** fell almost 40% from peak to trough as the world attempted to grapple with more and more bad news. Yet now it seems like there could be light on the horizon.

After a freefall in the last month, it looks like things might actually be turning around for Canadian stocks. As of writing, the **TSX** is up about 16% from its lowest point this year. While that isn't anything to scream about, it is a chance for investors to get in if they believe the worst is over.

For millennials, this can be the best time to use what cash you have to put toward some long-term buy and hold stocks. If that's something you're willing to consider, I would absolutely look at these safe bets first.

Millennials can bank on banking

Canadian banks fared as some of the best in the world during the last recession, and analysts believe that once this crisis and a housing downturn occur, banks will be back on top.

A stock like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is the perfect option right now, as it has both the current and future potential for millennials willing to buy and hold.

While TD Bank is already Canada's second-largest bank by market capitalization, it's still in growth mode. The bank recently expanded into the United States where it's now one of the top 10 banks in the country.

It still has a lot more growing to do, in the U.S. and also in the wealth and commercial management sector, where there is a lot of cash to be made.

The stock currently has an upside of about 43% as of writing, with a 5.28% dividend yield that will only be around for a short time once the market rebounds.

Use utilities

No matter what happens in the economy, Canadians will [continue to need power](#). That's why a company like **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) is the perfect buy.

After the initial shock, investors learned quickly that this company's earnings would remain stable, so millennial investors should buy up this stock before it jumps back to pre-crash prices.

Honestly, even today it's not much of a deal. The stock is just 8% below its fair value price, but analysts believe the stock should keep growing beyond \$60 per share in no time. That's a potential upside of 20% as of writing.

What millennial investors can look forward to from this company in the future is its acquisition projects. The company is constantly growing through acquisition, with consistent earnings that should only grow further as the company takes on new businesses. Analysts believe the company could grow earnings by 6.5% annually.

Energized about energy

There are a lot of pipeline companies out there, but **TC Energy Corp.** ([TSX:TRP](#))([NYSE:TRP](#)) is one of the [most exciting](#). That's because while other companies have already done a lot of growing already, TC Energy has \$38 billion in future secured projects ready to get started.

The company's Keystone XL pipeline alone will produce a ton of cash for investors. This alone should be completed by 2023.

Pipelines like these should help end the oil and gas gut that has been plaguing North America, and get oil moving again. This should move the price of oil back up again, and will make TC Energy a super stock moving forward.

Millennials that want to buy and hold this stock will still get it for a steal, though maybe not as much of a discount as its peers. Yet the stock still has a potential upside of 20% to make fair value, and could soar by 40% in the next year.

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2. NYSE:TD (The Toronto-Dominion Bank)
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Author

alegatewolfe

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