



3 Top Picks for Value Investors in This Market Crash

Description

Stock prices are continuing to disappoint bulls who were expecting another decade of growth. (One analyst note from late last year suggested we may not see a recession until 2030, which still makes me laugh). Finding value picks with decent dividends that are unlikely to be cut is a tricky proposition.

In this article, I'm going to highlight my top three picks in the value picks category right now.

Royal Bank

Of all the large Canadian banks, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is my top pick for value investors looking for long-term portfolio stability in an otherwise uncertain time. In my view, Royal Bank wins on a number of parameters compared to its peers.

First, Royal Bank's size, as measured by market capitalization, shines in comparison to the Big Six. In addition, Royal Bank's quality, or earnings quality, as well as diversification of its loan book, is important and evident.

Investors need to keep in mind that all the key factors disappearing now are only temporary, including terrible net interest margins, deteriorating borrower/credit quality, zero interest rate policy, etc. When we do eventually emerge from this mess, banks like RBC are likely to outperform.

I don't think we've hit bottom yet, and I repeat: patience is key right now. That said, I recommend considering Royal Bank toward the end of the year, depending on how the coronavirus pandemic progresses.

For more on Royal Bank, check out my 2018 article: "[Royal Bank Remains A King Among Men](#)."

Enbridge

Of all the pipeline/energy infrastructure players in Canada, **Enbridge Inc.** has the best fundamentals to

make it through this terrible economic double whammy which has seriously hurt Canada's oil patch. The simultaneous coronavirus outbreak and oil price war between Saudi Arabia and Russia have obliterated oil prices of late.

Enbridge has some of the highest quality blue-chip customers in the Canadian oil patch, meaning the counterparty risk priced in right now may be overstated.

A coordinated Canadian-American energy bailout and/or oil production decrease agreement is likely in the coming weeks. It has become increasingly clear that many oil producers may not be able to hang on much longer at these prices. Such a bailout would further enhance the bull case for Enbridge.

Brookfield Asset Management

The majority of holdings of **Brookfield Asset Management** are "alternative investments" such as real estate, infrastructure, renewable energy, etc. Therefore, a lower for longer ZIRP (zero interest rate policy), or NIRP (near-zero interest rate policy) are fantastic, generally speaking, for shareholders.

This is particularly true given the seriousness of the global coronavirus pandemic. In addition, the potential for a serious global depression has many wondering if any investment is safe right now.

For those who believe the sky isn't about to fall, shares of Brookfield haven't traded at this valuation in a long time.

Stay Foolish, my friends.

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