3 COVID-19 Stocks That Fell 50%

Description

The recent pandemic has sent markets swirling. Today, several COVID-19 stocks that have fallen by 50% or more.

Just be careful: some stocks *deserved* to be hit hard. If you go bargain shopping during the downturn, pay close attention to what you're buying — and why. While fortunes are minted during every bear market, separating the values from the value traps is critical.

You should be looking at dozens of COVID-19 stocks to build your buy list, but here are three top picks to kick start your research.

Deal of a lifetime

Brookfield Property Partners LP (TSX:BPY.UN)(NYSE:BPY) is part of the larger family of funds managed by **Brookfield Asset Management Inc**. Brookfield Asset Management runs some of the most successful alternative asset funds in the world. Its investment vehicles almost never go on sale, but Brookfield Property is the rare exception.

In February, BPY stock was priced at $25. Today, shares trade hands at *half* the price at writing. That's a steal.

Brookfield Property owns a diversified portfolio of real estate located all around the world. If ever there was a one-stop-shop for property investing, it would be this stock. Following the downturn, shares trade at a measly 0.35 times book value, yet recent transactions suggest the stock is worth *more* than book value.

When it comes to COVID-19 stocks worth your long-term investment dollars, Brookfield Property tops the list.

High-reward COVID-19 stocks

Air Canada (TSX:AC)(TSX:AC.B) stock has been pummelled since the coronavirus began. Shares are down more than 50%. As I wrote last week, this could be a clear buying opportunity.

“Looking at the financials, Air Canada has more leeway than many of its North American competitors,” I noted. “Make no mistake: The industry will see plenty of bankruptcies, but this company will be one of the last to fall. As long as the government doesn’t allow the entire industry to collapse, Air Canada will have no trouble surviving on emergency government loans.”

This stock arguably has more risk than Brookfield Property, but patient investors should be rewarded. Several large competitors may go bankrupt due to the crisis. If Air Canada can survive, it stands to gain massive market share during the next upswing.

Go even smaller

Chemtrade Logistics Income Fund (TSX:CHE.UN) is one of the least-known COVID-19 stocks. Since the year began, shares are down roughly 60%. The market cap, which now stands at $450 million, is too small to catch the attention of most investors. You can use this ignorance to your advantage.

Chemtrade is a chemicals distributor in North America. It supplies a wide variety of industries with chemical inputs necessary for operation. In short, this is a boring business. But boring businesses often deliver superior capital returns.

For nearly 15 years, Chemtrade paid the same dividend rate year after year. The yield frequently surpassed 10%. The stock price went nowhere, but the dividends rewarded long-term investors with double-digit annual gains.

The market crash has upended that dividend history, forcing a rare payout cut. Chemtrade’s business model is still intact, however, and when conditions normalize, it should be back to business as usual.

In the meantime, patient investors will be rewarded with a 12% dividend yield — and that’s *after* the latest cut.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:BPY.UN (Brookfield Property Partners)
3. TSX:CHE.UN (Chemtrade Logistics Income Fund)

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