Have $2,000 to Invest? Here Are 2 Stocks I'd Buy Right Now

Description

The coronavirus pandemic has taken an unprecedented toll on the Canadian economy. Jobless claims are surging. The fate of many affected small businesses waiting for government relief is still up in the air. Despite the terrible economic data and what could be the worst second quarter since the Great Depression, the stock market has begun to re-gain considerable ground in April.

As it stands now, the **TSX Index** looks to be at a crossroads, sandwiched between March lows and February highs. The markets could certainly roll over in the coming weeks and months, as underwhelming earnings and gloomy outlooks take hold. However, I think investors who've yet to buy should consider doing so with some of the TSX Index's more compelling bargains that exist today. Sure, they may not be the door-crasher specials that they were a month ago, but they still offer compelling value to those with a long-term perspective.

Consider the following two names if you've got an extra $2,000 to invest:

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is the perfect buy for a millennial investor who's looking to use their cash to help transition the world to sustainable sources of energy. The ESG-friendly play is growing its dividend at an above-average rate. Given the favourable environment, I expect more of the same over the next decade and beyond.

In addition to promising renewable energy assets, Algonquin has water utilities that offer rock-solid cash flows, regardless of how bad the coming recession is going to be. It has decent 9.8% ROIC numbers over the past year and a ridiculously high (and likely sustainable) double-digit revenue growth rate. Algonquin is nothing short of a steal for growth-oriented investors while the stock trades at 2.1 times book.

In an era of near-zero interest rates, Algonquin is in a position to come roaring out of this pandemic.So, now is as good a time as any to start nibbling away at the defensive growth stock while it’s tradingat a slight discount.

Husky Energy

Many investors have been bitten by **Husky Energy** (TSX:HSE) over the years. The stock has struggled to cope in an era of low energy prices. The perennial underperformer recently dropped another bombshell, slashing its quarterly dividend by a staggering 90% to just $0.0125. It is trying to preserve capital for what could be a new rock-bottom for the oil scene. The ailing Calgary-based integrated energy company also clocked in a brutal $1.7 billion loss, as industry woes continue mounting.

This is a new low for Husky, which delivered abysmal cash flows for its latest quarter. However, the company is far from bankruptcy. Its strong liquidity position should be more than enough to ride out these brutal times. Although Husky seems hopeless, with few meaningful catalysts, the valuation has become too cheap. Shares are trading at an insane 0.25 times book, which I find to be just plain ridiculous for a company as solvent as Husky.

If you’re looking for deep value, it’s hard to do better than Husky, which is one of the cheapest stocks on the entire TSX Index.

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

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