



Have \$5,000? Here Are 3 Warren Buffett-Type Stocks to Buy Today

Description

If COVID-19 hasn't crippled your savings and you have \$5,000 that you can invest in, the good news is there are some great options for you to buy today. Below are three stocks that would likely draw the attention of value investors like Warren Buffett. They all pay [dividends](#), have good valuations, and are consistently profitable:

Rogers

Rogers Communications Inc. ([TSX:RCI.B](#))([NYSE:RCI](#)) is a household name in Canada and an industry leader in telecom. Although the company missed expectations in its most recent earnings report, it still posted a profit of \$0.68 per share. COVID-19's impacting the company's results but Rogers is still in a solid position as demand for internet and mobility services isn't going anywhere.

The company's recorded a profit in each of its last 10 quarters with net margins normally above 10%. It's that type of consistency that Buffett values and why Rogers is a solid long-term investment for many value investors. The stock trades at a modest 14 times its earnings meaning that you won't be paying a premium to own it, either.

Rogers also pays a quarterly dividend of \$0.50. Annually, that yields around 3.5% per year in dividend income. Year to date, shares of Rogers stock are down around 11%. But over the past five years, it's delivered returns of more than 30% to investors.

Algonquin Power

Algonquin Power & Utilities Corp ([TSX:AQN](#))([NYSE:AQN](#)) is a safer buy in the short term than Rogers because it's in the utility business rather than in telecom. Over the long term, it still may have more potential given the growth opportunities it has — either acquiring more facilities or expanding into more North American markets.

In the company's most recent quarterly results, released on May 7, Algonquin saw a modest 3% drop

in revenue. However, its adjusted net earnings saw no change from the prior-year quarter. The utility provider is confident enough that it's going ahead with a 10% increase in its dividend payments.

Investors will now be earning US\$0.1551 every quarter, up from US\$0.1410. On an annual basis, that's a solid yield of around 4.5%, depending on both its share price and the exchange rate.

Like Rogers, shares of Algonquin trade at a modest multiple — just 13 times earnings. It's a good mix of value, dividends, and growth that investors like Buffett would appreciate. It's a stock you can hold in your portfolio for many years. Year to date, shares of Algonquin are up around 4%.

CIBC

The **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is an easy choice to make this list as Buffett loves good bank stocks. CIBC definitely fits the build as, like its peers, it's a stable buy. COVID-19 will have an impact and that will, in turn, impact the bank's financials. But it won't affect its long-term prospects.

The company's had no problem posting a profit; in each of the past 10 quarters, its profit margin has easily come in above 20%. Even if the bank's bottom line takes a hit due to the pandemic, it's still in good shape to remain in the black.

What makes CIBC an attractive buy today is the stock's also paying an [incredible yield](#) — one that may not last if investors wait too long. Its quarterly dividend of \$1.46 is currently yielding 7% per year. That's largely due to stock's decline — shares of CIBC are down more than 20% year to date.

The top bank stock is trading at just seven times its earnings and is one of the better bargains out there right now.

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Author

djagielski

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