Buy This, Not That: 2 Stocks to Buy Now and 1 to Avoid

Description

There is a parade of investment options and excellent buying opportunities on the stock market amid the 2020 pandemic. **Air Canada**, however, isn't one of them. Avoid this airline stock, or else you won't see your money grow in the next three years.

The best choices with growth and earning potentials are **Jamieson Wellness** (TSX:JWEL) or **Northland Power** (TSX:NPI). If you can take a position in both, you double your chances of reaping a bountiful harvest.

Health and wealth

Jamieson Wellness is taking flight, because people are becoming health conscious because of COVID-19. This $1.31 billion company from Toronto, Canada, develops, manufactures, distributes, sells, and markets natural health products in the home country and other international markets.

There is a significant uptick in demand for health products such as vitamins, herbals, mineral nutritional supplements, and over-the-counter remedies. The 16.5% increase in total revenue in the first quarter of 2020 (quarter ended March 31, 2020) versus the same period in 2019 is a glimpse of better things to come.

Expect the business and the Jamieson stock to surge in the near and long term. This consumer-defensive stock is outperforming the TSX. Its year-to-date gain is 29.8%. Some of the more popular stocks continue to struggle. Analysts forecast the price to climb by another 13.5% to $38 within the next 12 months.

Furthermore, the 1.31% dividend should be safe if Jamieson can maintain a low 46.91% payout ratio.

Meltdown deterrent

Northland Power is a must-have. Utility stocks are defensive and risk-mitigating assets. This $6.4

billion independent power producer develops, builds, owns, and operates clean and green power-generating assets in Canada and Europe. The company produces electricity from renewable energy sources, such as hydro, solar, and wind.

The year-to-date performance (a gain of 18.77%) of this utility stock shows resiliency. Likewise, the dividend yield is a respectable 3.78%. Dividend safety is not a concern, given the payout ratio of 62.83%.

Northland Power was on fire during the first quarter of 2020. The top line increased by 33.8% (from $499 to $668 million), while the bottom line increased by 34.8% (from $459 million to $659 million). The increases are in comparison to the first quarter of 2019.

Some market observers fear another market crash if COVID-19 infections rise again. Northland Power is your deterrent against a meltdown. Dividend growth is also in the offing, aside from capital appreciation.

No room for mistakes

People should be more discerning when investing during the pandemic. It would help if you gave importance to recent events. The travel industry, for instance, is dead in the water. Airlines stocks will be in a slump for an undetermined period. Thus, watch out for companies that will increase shareholder value during the health crisis and beyond.

Jamieson Wellness has a long runway for growth, and therefore a good option. Health buffs will swell in numbers, so it can capitalize on this developing trend. Northland Power will generate consistent free cash flow regardless of the market environment.

Finally, don't rush your decisions. With the right choices, you can make a fortune, notwithstanding the coronavirus outbreak.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)
2. TSX:NPI (Northland Power Inc.)

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