



2 Top Stocks Just Became Too Cheap to Ignore

Description

It looks like Canadians might be getting ahead of themselves. After millions of jobs were reported lost in April, in May there was some good news. Canada added almost 290,000 jobs, and with that came new hope, especially with top stocks.

The news gave another boost to the markets, leaving many thinking that a market rebound was only going to continue. However, analysts have been warning investors not to get too comfortable.

Unfortunately, further dips are not only likely, but also imminent. While businesses may be starting to open, the coronavirus hasn't gone anywhere. Businesses will still be restricted in both opening and in how they handle the prevention of the virus spreading. So it's definitely not business as usual.

That said, it's harder to find top stocks on the **TSX** trading at a discount, and have a promising near and distant future. But two stocks I would look at today are **Premier Gold Mines** (TSX:PG) and **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). Both stocks offer investors the chance to get in on [cheap prices](#), and create some defense in this risky environment. So let's take a look.

Golden opportunity

For the last decade, if you wanted to invest in gold, you would likely be sent to gold streaming companies. These companies offer gold producers some cash to get mines started. Those businesses can then reap some of the gold at wholesale prices, removing of the risk investors usually get from gold mines.

But there's been a huge change recently with gold top stocks. About two years ago, gold miners started to make some moves towards creating partnerships and acquisitions. This year and in 2019, many of those partnerships have come to fruition.

These miners are now making new, larger businesses on a global scale. This creates a diverse portfolio with substantially more gold produced.

Premier Gold currently trades far below its pre-crash levels and analysts fair value is nearing \$4 per share. The company currently trades at about \$2 per share, giving a potential upside of 100%. The company explores, develops and produces gold and silver in Canada, the United States, and Mexico.

The potential upside comes from the price of gold as a whole, which is set to more than double by 2030. If you're going to buy into gold, Premier Gold is the perfect opportunity for a quick boost in share price.

Use utilities

If you're looking for diverse top stocks, you'll find it with Algonquin Power. The company is part of the [utilities sector](#), and owns and operates power generation, distribution, and transmission of utility assets in Canada and the United States.

No matter what happens in the markets, people need power, leaving Algonquin Power in a prime position to continue bringing in earnings no matter the market performance.

Yet the company wasn't immune to the March crash. Algonquin Power currently trades at about \$18.75 per share at writing. That's a 16% decrease from its 52-week highs, leaving some room to grow to pre-crash prices after falling nearly 40% from peak to trough.

But investors should be *really* excited about the company's utility generation. Algonquin also owns and operates hydroelectric, wind, solar, and thermal facilities, and a portfolio of electric, natural gas, water distribution, and wastewater collection utility systems. Basically, when it comes to power, it does it all. No matter what happens in the future, Algonquin Power will be ready.

Foolish takeaway

No matter which stock you choose — and I'd recommend both — you can't go wrong with these great deals. The potential upside for both Algonquin Power and Premier Gold is huge.

Both industries stand to have huge share increases in the near future, and throughout the next decade. Buying now will only increase your stake with these top stocks as long-term defensive holds.

CATEGORY

1. Coronavirus
2. Investing
3. Top TSX Stocks

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