



Stock Market Crash: 2 TSX Dividend Payers That Are Still Dirt Cheap!

Description

A stock market crash can be a terrible thing to waste. If you were stuck on the sidelines when stocks fell off a cliff back in February and March, you might be kicking yourself having not bought anything en route to what now appears to be a full recovery (or near-full recovery in the case of the **TSX Index**).

Despite the unprecedented rally from the equally unprecedented stock market crash, [there's still a tonne of bargains](#) out there that you can buy today, even though it doesn't seem like it given the **NASDAQ Composite Index** has hit fresh all-time highs.

Like it or not, the 2020 stock market crash isn't fully recovered from yet.

If you take the massive tech heavyweights that have benefited from the pandemic out of the equation, you'll find that the non-tech-focused U.S. indices are still off [considerably](#) from their pre-pandemic all-time highs. The tech-lacking TSX Index is still down around 10% from all-time highs and is still chock-full of value for value-hungry investors who don't want to walk away empty handed as recover from one of the sharpest stock market crashes in the modern era.

Without further ado, consider scooping up the following battered TSX-traded securities today if you've got too much cash sitting on the sidelines:

Allied Properties REIT: A high-quality office REIT that's oversold

Allied Properties REIT ([TSX:AP.UN](#)) shares nosedived sharply back in the February-March sell-off. Shares of the office REIT have since recovered a third of the ground lost in the vicious stock market crash, but still, shares look remarkably undervalued compared to the calibre of top-notch urban office properties you'll be gaining exposure to.

I know that office REITs seem untouchable amid this unprecedented crisis. But for those who believe there will be at least some reversion to the mean in demand for office space, a high-quality urban office

REIT like Allied is nothing short of a steal.

Yes, some firms won't be renewing their leases after this pandemic is over. But a majority of firms will be headed back to the office, and the demand for office space will post at least a partial recovery to pre-COVID-19 levels. Even if there's no full reversion to the mean in office space demand, even the slightest reversion will be enough to move the needle for an overly battered REIT like Allied.

For the second quarter, Allied saw collections reach nearly 95%. As the economy gradually continues reopening further, management suspects office utilization numbers to bounce back and with sufficient liquidity in place, the REIT won't be under pressure unless the pandemic worsens and drags on into 2021.

With shares off 33% from pre-pandemic heights, I'd say now is a great time to load up on shares if you're hungry for value and excess upside as the economy heals from the 2020 stock market crash. For a REIT, the 4.1% yield is nothing to write home about, but unlike other office REITs, the distribution looks safe and sound.

Manulife: An insurer that led the downward charge in the 2020 stock market crash

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) is a Canadian multinational insurer that can't seem to catch a break. The COVID-19 pandemic delivered a huge hit to the chin of Manulife, sending net income and core earnings plunging by 60% and 34% in the first quarter.

The Asian market, Manulife's major growth driver, experienced weakness, with falling business volumes out of Japan. The U.S. and Canadian segments were no better, both witnessing core earnings weakness.

Life insurance, while marketed as a "need" is actually seen as more of a "want" through the eyes of belt-tightening consumers gearing up for a potentially pronounced economic downturn. Similar to the aftermath of the Great Financial Crisis stock market crash, it's going to be a tough road to recovery.

If you've got a five-year investment horizon, though, it's worth it to place a bet on the ailing company while shares are close to the cheapest they've been in recent memory.

At the time of writing, MFC stock trades at 0.68 times book value and 3.45 times EV/EBITDA, making shares beyond cheap at this market crossroads.

The 6.3%-yielding dividend, while under pressure, looks sustainable for the time being, but this could change if the pandemic were to drag on longer than expected.

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1. Coronavirus
2. Dividend Stocks
3. Stocks for Beginners

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2. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
3. TSX:MFC (Manulife Financial Corporation)

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