



Overlooked Stocks Worth Considering Today

Description

The importance of diversifying your portfolio simply can't be understated. This is true in any market but has become a hallmark of investing during the COVID-19 pandemic. While there are plenty of investment options to consider, there are some overlooked stocks on the market that are investment gems.

Here are some of those overlooked stocks that can help diversify (and grow) your portfolio.

Next stop: growth *and* income

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is another example of a frequently overlooked stock. Unfortunately, some investors see railroads all remnants from the last century with little place in today's fast-moving market. This couldn't be further from the truth.

Railroads still account for more freight by volume than any other method of transportation. Additionally, existing railroad networks connect nearly every major metro area on the continent. This provides easy access between ports, factories, and storage facilities for nearly every type of freight.

In the case of Canadian National, the railroad is the only one on the continent that has access to three coastlines. This is a key advantage that provides yet another defensive reason to invest in the railroad.

In terms of a dividend, Canadian National offers a quarterly payout that provides a respectable 1.64% yield. Canadian National's yield is lower than income-focused stocks. Fortunately, Canadian National has provided investors with handsome annual hikes. Those dividend hikes stem back over a decade.

Here's an overlooked stock with a monthly income stream

When it comes to a well-diversified stock that can provide a handsome income, **Exchange Income Corp** ([TSX:EIF](#)) should be near the top of every investor's shopping list. Exchange Income owns and operates over one dozen smaller, subsidiary companies. Those companies operate across aviation

and manufacturing segments with two common themes.

First, the subsidiaries provide a necessary service that continues to generate cash for the company. An example of this is providing air service to northern Manitoba, Ontario, and Nunavut.

Second, those subsidiaries operate in niche markets with limited competition. By way of example consider the growing demand, yet limited competition for the fabrication and installation of cell towers.

Turning to dividends, Exchange offers a monthly distribution that currently carries a 7.21% yield. To be clear, some investors may be concerned with Exchange's connection to the airline sector and the risk that carries.

In other words, Exchange is a well-diversified overlooked stock that warrants a position in your portfolio.

What's next?

No investment is without risk. Both Canadian National and Exchange provide compelling reasons for investment, but also [carry some risk](#). Specifically, both stocks have seen some impact stemming from the COVID-19 pandemic. As a reminder, the [entire market took a hit](#) earlier this year, so this isn't specific to Canadian National or Exchange.

In the case of Canadian National, the railroad has erased earlier losses and is now up by double-digits in 2020. Exchange still trades at a significant discount over where it was in January, but the stock is rising. In the past month alone the stock has seen a 20% bump.

In my opinion, both of these often overlooked stocks are great long-term options for nearly any portfolio. Buy them and hold them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:EIF (Exchange Income Corporation)

PARTNER-FEEDS

1. Koyfin
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/23

Date Created

2020/08/30

Author

dafxentiou

default watermark

default watermark