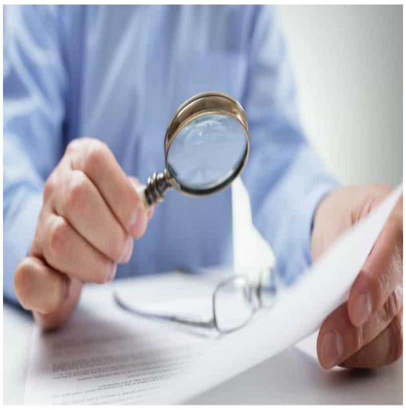

3 Top Stocks to Buy Before the September Sell-Off Ends

Description

The September sell-off acted as a rude awakening for many beginner investors who chased this market on the way up while refusing to take profits off the top of their hottest names. While this market pullback has turned greed into fear in what seemed like an instant, now is not the time for panic. It's times like these, when volatility goes off the charts, when the most money stands to be made.

While this sell-off could have farther to go, I'd argue that it's riskier for young, beginner investors to let this market pullback go to waste by not buying anything on the dip. Without further ado, let's have a closer look at three top cheap stocks to consider amid the September sell-off, which could bottom out at any moment.

Shopify

For those willing to buy **Shopify** (TSX:SHOP)(NYSE:SHOP) at around $1,500, shares should be a screaming buy after its latest bear market moment. Shares fell over 19% in just three days amid the September sell-off and should be nibbled on by investors who desire to average down their cost basis. While the stock's price-to-sales multiple is still a pie in the sky, I think the e-commerce growth story is far from over and would encourage strong-stomached young investors to nibble gradually on the way down into a full position.

Shopify has been feeling the full force of the pandemic tailwinds, and while the bar is high, I wouldn't rule out further blowout quarters going into year-end. But brace yourself, because Shopify stock could easily get cut in half if this growth-to-value rotation trend continues into year-end. So, stay liquid and keep averaging down, because the fundamental long-term thesis remains unchanged from a week ago.

Bank of Montreal

Bank of Montreal (TSX:BMO)(NYSE:BMO) is a value stock that got caught in the recent tech-driven downswing this week. The robust bank is back to trading at a discount to its book value, despite clocking in a better-than-feared quarter than signaled that the worst of this pandemic might be in the rear-view mirror. While another round of shutdowns could hit BMO's commercial loan book, I think that the long-term upside remains elevated, given the stellar management team and the fact that the firm has made it through its fair share of crises over the past two centuries.

BMO is the epitome of a Dividend Aristocrat. It's feeling immense macro headwinds and will be left holding the bag on loans to firms that will become unable to meet their debt obligations amid this coronavirus crisis. But such negatives, I believe, have already been baked into the stock, and then some. BMO is one of the bluest blue-chips on the planet, and anytime it trades at a discount to book value, I find few reasons not to buy the stock for a long-term-focused portfolio.

Fortis

Last but not least, we have **Fortis** (TSX:FTS)(NYSE:FTS), a stock that rallied 2.5% on a Tuesday that saw the **S&P 500** implode by nearly 3%. If the move isn't a sign of a profound growth-to-value rotation, then I don't know what is. Despite being a green stock in a sea of red, shares of Fortis still look undervalued. The company is a low-beta bond proxy that could be in for a significant rally, as I think significant margin expansion could be in the cards, as "risk-off" opportunities dry up in this era of rock-bottom interest rates.

Utilities have been unfairly beaten up in this crisis, and that's nothing more than a buying opportunity, especially for tech-heavy new investors who've yet to strike the right balance of defence and offence for their portfolios.

What you see is what you'll get with Fortis. A stable 3.6%-yielding dividend that will stand to grow at a mid-single-digit rate over the long run.

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