These Crashing TSX Shares Are Screaming Buys for the Next 30 Years

Description

Many hard-to-value early-stage growth companies have profound pandemic tailwinds. They're hot, and it's tough to gauge their true worth. Fortunately, you don't need to feel obliged to place a bet on names you either can't understand or evaluate. Previously white-hot stocks like **Tesla** are crashing, but there's no telling how far it can fall given the momentum-driven run-up and the still unfathomably lofty price tag.

On the flip side, there are **TSX** shares that are easy to spot as undervalued. And unlike white-hot tech stocks trading at nosebleed-level valuations, one can buy the dip without running the risk of going against the grain on a name that could result in unrecoverable losses (those who bought **Citigroup** during the fall during the Great Financial Crisis have still yet to recover over 12 years later).

In a return to value, **Fairfax Financial** (TSX:FFH) and **Suncor Energy** (TSX:SU)(NYSE:SU) could lead the next market rally.

Fairfax: Crashing shares offer a cheap way to bet on Prem Watsa's comeback

Fairfax is an insurer and investment holding company that's feeling the full force of the COVID-19 impact. Led by legendary money manager Prem Watsa (Canada's Warren Buffett), who averted disaster in the Great Financial Crisis, Fairfax is an intriguing, unorthodox, and lowly correlated investment that's like few other publicly-traded firms out there.

Watsa is in a slump right now. This isn't his first, and it's probably not his last. I think the man is still more than capable of beating the markets over the long-term, given his value-spotting abilities and knack for spotting macroeconomic trends. He'll make bold bets on opportunities he has conviction in, and if he's right, Fairfax could be a lone green stock in a sea of red.

If you're a believer in Watsa, there's never been a better time to bet on his comeback. Shares trade ata 30% discount to book value, and with evidence of Fairfax's improving underwriting track record, I'dback up the truck here if you're willing to buy and hold for the next 30 years.

Suncor: The dividend is safe this time

Suncor Energy lost fans when it slashed its dividend 55% amid the perfect storm of headwinds in the oil patch. With various pundits touting fossil fuel plays as uninvestible, it's hard to continue holding a name like Suncor amid its tumble back to March lows.

Suncor is dirt-cheap, but let's face it, there's nothing to get excited about when it comes to the energy sector amid this unprecedented coronavirus crisis. Many oil producers are borrowing money to pay dividends and may not be in a spot to survive in five years should crude prices stay at these depths.

Even quality integrated energy plays with strong balance sheets like Suncor faces an uphill battle, as the world goes against fossil fuels. Given the energy sector's secular decline, it's increasingly likely that oil will not see another big boom again. That said, I do think oil is in for modest relief over the next several years as we exit this pandemic, and that will be enough to move the needle on battered shares of Suncor.

The stock is so absurdly cheap, with a quality 5% yield, that it makes a tonne of sense to buy and hold the name as one waits for the tides to turn on the oil patch. Warren Buffett likes Suncor for a reason.

The stock reeks of deep value, with far too much negative already baked in. So, if you've got a time horizon of 30 years, why not bet on the return of Suncor while it's down and out?

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