2 Stocks I’m Buying Now Irrespective of Where the Stock Market Moves

Description

The stock markets around the world regained most of their lost ground amid the virus-led selloff. The strong liquidity, thanks to the massive government stimulus packages and investors’ optimism over the reopening of the economy, led to one of the fastest recoveries in the stock market’s history.

However, the quick recovery amid rising COVID-19 infections is leading many to believe that the uptrend is unlikely to sustain, and the stock markets could crash again in 2020.

Whether the stock markets will crash again or not is debatable. However, a few **TSX** stocks could continue to generate steady returns irrespective of where the stock market moves. Let’s focus on two such TSX stocks that could continue to outperform the broader markets and generate strong returns in the coming quarters.

Kinross Gold

While the rally in gold has cooled a bit in the recent past, the uncertain economic outlook, lower interest rate environment, and high volatility in the stock market suggest that the demand for the shiny yellow metal is likely to stay elevated.

Investors could consider buying **Kinross Gold** (TSX:K)(NYSE:KGC) for its growing low-cost production amid high demand.

Kinross Gold’s production is forecasted to increase by 20% over the next three years. Meanwhile, its cost structure is likely to witness a downward trend. The increase in production and lower costs are likely to boost its margins significantly and, in turn, are likely to support the uptrend in Kinross Gold stock.

While higher gold prices and low-cost production suggest a continued uptrend in its stock, its low valuation further strengthens the bull case. Shares of Kinross Gold trade at a forward EV-to-EBITDA multiple of 5.1, which compares favourably to its peer group average of about 8.3 and makes it an attractive value buy.

Also, the company has reinstated its dividend payouts after seven years and currently offers an annual yield of over 1.3%.

Maple Leaf Foods

Maple Leaf Foods (TSX:MFI) operates a low-risk and high-growth business, which makes it a perfect stock to buy amid uncertainty. The company's meat protein business continues to chug along and generates healthy revenues and cash flows. Meanwhile, its plant protein business is benefiting from stellar demand and is expanding at a brisk pace.

For instance, its meat protein business reported a mid-single-digit growth in its revenues in the most recent quarter. During the same period, Maple Leaf Foods's plant protein business registered an increase of over 41.4% in sales.

As for 2020, Maple Leaf Foods expects its meat protein business to generate mid- to high-single-digit growth in sales. Stable demand and growing exports are likely to support the segment's top line. Meanwhile, its plant protein business is expected to mark 30% growth in the top line, reflecting high demand, innovation, expansion of distribution channels, and growing market size.

While incremental costs are likely to remain a drag, favourable product mix and cost-savings are likely to cushion its margins and cash flows. Maple Leaf Foods offers a quarterly dividend of $0.16, which translates into a decent dividend yield of over 2.3%.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Metals and Mining Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:K (Kinross Gold Corporation)
3. TSX:MFI (Maple Leaf Foods Inc.)

PARTNER-FEEDS

1. Business Insider

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

Category

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Metals and Mining Stocks

Tags

1. Editor's Choice

Date
2025/08/27
Date Created
2020/09/28
Author
snahata