2 Bargain-Basement Dividend Stocks to Buy Right Now

Description

The U.S. election and rising COVID-19 cases has many investors stuck on the sidelines. While the risk of a vicious market correction is high, I do think investors should scoop up the bargains that they view at any given instance, regardless of where the markets could be headed next.

Already-battered bargains tend to hold their own in the face of market-wide sell-offs, and some, including the likes of many of today's promising bargain-basement dividend stocks, could stand to be lone green spots in a market-wide sea of red. You should be ready for better prices should another crash hit, but you shouldn't feel the need to wait for the perfect time to get into a name, as it's the pursuit of a perfect entry point that often leads investors farther from it.

In the face of another round of volatility, I'd look to proven dividend stocks that have been beaten up so much such that they're less likely to feel the full impact of the next market-wide sell-off.

Restaurant Brands International

Restaurant Brands International (TSX:QSR)(NYSE:QSR) is one of the many hard-hit fast-food stocks that I think deserves to trade at pre-pandemic highs. Why? While the COVID impact has decimated the industry, the fast-food juggernaut's long-term fundamentals remain strong.

The firm's capital-light business model will allow investors to enjoy capital-light growth for many years, if not decades, to come. The pandemic doesn't jeopardize the company's long-term growth trajectory. If anything, the current crisis is a short-term setback that could have positive longer-term effects for the firm's robust chains.

Restaurant Brands will survive this crisis. On the other end of this pandemic, the company could find itself operating in a less-competitive recessionary environment with pent-up demand for low-cost quick-serve offerings. Moreover, Restaurant Brands' progress on the mobile and delivery front, I believe, will remain once this crisis finally ends.

If you're willing to take short-term pain for long-term gain, Restaurant Brands is the stock to bet on while it's depressed and before the stock has a chance to catch up to its fast-food peers, including the likes of **McDonald's**, which recently hit new all-time highs.

Suncor Energy

Fossil fuels are on their way out. That's the popular opinion on the Street right now amid soaring renewable energy stocks in what many expect will be a Biden presidential victory. While fossil fuels are in an unstoppable secular decline, the decline will span a few decades. Electric vehicles and green energy aren't going to replace crude overnight.

For those looking to capitalize on deep value in the heavily out-of-favour energy space, **Suncor Energy** (TSX:SU)(NYSE:SU) is a top deep-value pick, even in the face of another crash.

With Warren Buffett hanging on to his shares, you'll be in good company with an investment in Suncor. The company slashed its dividend by just over half, and with further layoffs on the horizon, Suncor's balance sheet is among the strongest in the Albertan oil patch. Suncor's financial strength will allow it to navigate further waves of this crisis like few others in the fossil fuels space.

With the stock near its $15 level of support, I'd be inclined to load up on shares today as they look technically sound and fundamentally undervalued. If Warren Buffett liked shares at much higher prices, he must be ready to euphoric at the opportunity to nab even more shares at lower prices. If you're not in the belief that fossil fuels are dead yet, invest alongside Buffett in one of the most financially flexible integrated oil players in Canada today.

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3. TSX:QSR (Restaurant Brands International Inc.)
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Date

2025/08/23
Date Created
2020/10/26
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