



## 2 Dirt Cheap Stocks to Buy and Hold for the Next 60 Years

### Description

The stock market has been quite divided of late. These days it's all been about rotations; whether we're talking the rotation out of pandemic-resilient stocks to COVID recovery plays, or growth to value, stocks haven't been moving as one in recent months.

Such a divide, I believe, is a massive opportunity for self-guided investors as they look to scoop up the bargains that may have been unfairly battered just because of their industry or their degree of pandemic-resilience.

Before the rotation ends, I'd take the drastic moves as an [opportunity](#) to buy battered stocks while they're still sitting in the penalty box for reasons outside of their control. While a continued rotation could further hit the names on your radar, I'd say that long-term investors have a tonne to gain by numbing themselves to wild near-term market moves.

### A tale of two unfairly beaten-up TSX stocks

Consider shares of **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) and **Goodfood Market** ([TSX:FOOD](#)), two stocks that have been under pressure in recent months. The latter play has been on the receiving end of a rotation out of pandemic-resilient growth, and the former has been stuck in a rut ever since the coronavirus crash happened. Both names, I believe, could be headed to new all-time highs once Mr. Market has a chance to come to his senses.

So, without further ado, let's have a closer look at each value play to see which, if any, is worthy of your portfolio in today's divided market.

### Fortis: A bond proxy that's on sale

Whenever investors think about "playing it safe," Fortis is likely to come to mind. The highly regulated utility has an attractive dividend (currently yielding just shy of 4%) that's the closest thing to a guarantee you'll find in the world of equities. Given how insulated Fortis's operating cash flow stream is

from the whole macro picture, it's no wonder why older investors like baby boomers see the name as one of the better go-to bond proxies.

Fortis isn't just an investment to be held by boomers, though. Youngsters have much to gain from the firm that's poised to grow its dividend by a 4-5% annualized rate indefinitely. Compared to bonds in this low-rate environment, Fortis is an incredible stock that's deserving of a hefty premium.

Today, the stock doesn't sport such a premium, especially following the good vaccine news in early November. Investors appears to be greedy as they look to rotate out of low beta and into the most battered COVID recovery plays. However, I encourage investors not to overlook Fortis as the risk appetite increases.

Everybody needs a safe foundation, and it's better to get into one while the price is low, and investors are less aware of the potential for negative surprises.

## Goodfood: A dirt cheap stock with room to run

Goodfood Market took several steps back following the great vaccine news. There's no question that the pandemic tailwinds enjoyed by Goodfood will end as the pandemic eases. The value proposition of meal-kit delivery services is questionable when times are good.

During a pandemic or lockdown, the value proposition is absurdly high. With surging COVID-19 cases sweeping the nation, I suspect that Goodfood has another blowout quarter (or two) up its sleeves before its pandemic tailwinds have a chance to diminish.

In a post-pandemic world, Goodfood can be expected to see some subscribers hit the pause button as they feel more comfortable heading to the grocery store. That said, Goodfood stock isn't exactly what you'd consider an expensive stock, even after its incredible 360% run out of its March lows.

The stock trades at 2.1 times sales, which is ridiculously cheap given the firm is capable of expanding upon its margins and offering a greater value proposition to its subscribers on the other side of this pandemic.

As investors rotate out of Goodfood and back into the ["risk-on" COVID plays](#), I'd look to accumulate shares on the way down.

### CATEGORY

1. Coronavirus
2. Investing
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### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FOOD (Goodfood Market)
3. TSX:FTS (Fortis Inc.)

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