2 Sold-off Dividend Stocks for New Investors

Description

New investors shouldn't wait around for the next market pullback before buying starting a portfolio. The stock market doesn't have to pull back for there to be bargains. In fact, some individual stocks can rip the band-aid of a correction off well before the broader market does. And when the market-wide sell-off finally does strike, it's the freshly corrected names that could have limited downside. Heck, some battered names may even stand to rally in the face of a market-wide bloodbath.

default watermark

In this piece, we'll keep things simple and look at two dividend stocks that I think are perfect for a new investors' starter portfolio.

Consider **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) and **Suncor Energy** (TSX:SU)(NYSE:SU), two great beginner stocks with nice dividends and a depressed valuation that may indicate a wide margin of safety to be had.

Restaurant Brands International

Restaurant Brands International really delivered a heck of a quarter last week. Shares blasted off over 5% in response to the earnings that surpassed analyst estimates.

Undoubtedly, Restaurant Brands' relief rally was a long time coming. The lagging fast-food company has trailed its peers for around two years now, but strength across the board shows that the firm is ready to sustain a mover to much higher levels on the back of the economy's recovery.

For the second quarter, Restaurant Brands clocked in digital sales growth of almost 60% at Burger King. Popeyes and Tim Hortons also exhibited tremendous strength against favourable year-over-year comparisons. While high year-over-year comps were expected, I don't think investors should discount the company's wonderful quarter, specifically on the digital front.

Undoubtedly, QSR is playing catch up with digital, drive-thru, and delivery. But the moves will paymajor dividends, as the firm looks to hit new highs, as its bigger brothers in the space have been doingof late.

On Tuesday, the next trading day following the big post-earnings pop, Restaurant Brands stock sagged 2.2% and for no good reason. Indeed, investors were quick to quick to forget about the incredible quarter.

I think the Tuesday flop is a great buying opportunity for investors seeking a prudent catch-up reopening stock for the second half. Things are looking up, and it's encouraging that digital efforts are finally making their way into the quarterly results.

Suncor Energy

Suncor Energy is another quality dividend stock that's been lagging behind its peers in the space. With oil prices as strong as they've been, you'd think Suncor would be a market leader. But that has not been the case, with the stock still off considerably from its post-pandemic-crash highs.

More recently, Suncor stock plunged over 20% off its 52-week high on a modest pullback in the price of oil. The positive momentum enjoyed by the stock turned in a big way. At $25 and change per share, the stock is now closer to the bottom than the pre-pandemic peak.

default watermark

Despite the bout of underperformance, I still view Suncor as one of the better-integrated energy players out there.

As shares look to trade at a wider discount to book once again, I'd look to scoop up shares, especially if you missed the boat back in late-2020. The dividend yield of 3.4% is modest.

Still, it's slated to grow at a pretty solid rate, as management looks to gradually undo the dividend reduction from last year on the back of improving energy prices.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)
4. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. joefrenette

Category

1. Dividend Stocks
2. Investing

Date
2025/07/03
Date Created
2021/08/06
Author
joefrenette

default watermark

default watermark