



3 Selloff Stocks That Could Help Set You Up for Life

Description

This stock market, despite having rallied of late, still presents some interesting opportunities for investors. So-called selloff stocks, those which have fallen precipitously from their peaks, provide even more upside potential should another bull market indeed be underway.

It may be hard to make such a call right now. After all, central banks around the world are doing their best to calm inflation. That generally means raising rates for some time to come. Accordingly, valuations could still have more room to decline from here.

That said, companies that can [grow](#) through this higher-rate environment may be fine. Here are three such options that I think are worthy of a look right now.

Selloff stocks to buy: Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is one Canadian high-growth stock that has gone from high flyer to low priority for most investors.

During the pandemic, interest in online shopping surged. Retailers looking to survive looked to move their business online. Accordingly, Shopify's industry-leading platform for small- and medium-sized businesses to shift their businesses online saw its business boom.

Shopify has always been a fast-growing company, since its initial public offering. However, this acceleration of growth led to a valuation that was truly astronomical. While this company still trades around [10 times sales](#) (not cheap), that's a much better valuation than where it was trading at a year or so ago. Thus, for those who think this secular growth trend isn't done, now may be a great time to consider this stock.

Suncor

Suncor ([TSX:SU](#))([NYSE:SU](#)) is an integrated energy organization that strategically focuses on

developing one of the largest petroleum resource basins in the world — Canada's Athabasca oil sands.

Suncor Energy posted impressive second-quarter results, bringing in operating earnings of \$2.12 per share. This beat analyst estimates of \$1.74 handily.

Of course, rising oil prices have helped companies like Suncor improve margins substantially. Given that oil prices have come down, so too has Suncor's stock price. However, for those looking for cash flow machines at \$80 oil, Suncor represents a high-beta play on the energy sector.

I view energy stocks such as Suncor as smart hedges on what could be higher inflation for longer. For those taking this view, Suncor stock is a great defensive pick during this recent selloff.

Restaurant Brands

Last but certainly not least, we have **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)). A leading purveyor of fast-food chains, Restaurant Brands has been rather volatile of late. Pandemic closures alongside a shift to higher-end food has hurt this company's top and bottom lines over the past two years. However, with concerns around inflation hitting consumers' pocketbooks, Restaurant Brands's world-class banners could see increased interest in the years to come.

Much like Suncor, I view Restaurant Brands stock as a very defensive play in this environment. Down considerably from its peak of more than \$100, Restaurant Brands is a solid long-term, buy-and-hold opportunity worth considering here.

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