



## Got \$5,000? These 2 Promising Stocks Are Trading Near Their 52-Week Lows

### Description

2022 is turning out to be the year that everyone wants to forget. Between the pandemic, the war in Ukraine, inflation, and increasing interest rates, there are plenty of concerns that [newer investors](#) will want to forget. Before that happens, some stocks are trading near their 52-week lows that warrant a closer look.

Here's a duo of superb long-term stocks that are trading at whopping discounts right now.

### Promising stock #1: The international bank that screams opportunity

**Bank of Nova Scotia** ([TSX:BNS](#)) is commonly known as Canada's most international bank. Lately, it appears we can add a few more labels to Scotiabank: it's Canada's big bank with the highest dividend yield; it's Canada's most diversified big bank; and then, my personal favourite, it's Canada's most discounted big bank.

There are a few more I could add, but you get the picture. Canada's [big banks](#) are always stellar investments, but Bank of Nova Scotia's stock price has dropped just shy of 15% year to date. That drop is on par with the overall market dip. Where Scotiabank differs, however, is in that you would need to go back to April 2021 to find the bank trading at its current stock price.

And what about its price-to-earnings (P/E) ratio? As of the time of writing, the bank trades at an insane 7.66 — again, trading among the lowest of its big bank peers. In fact, the last time Scotiabank had a P/E of seven was all the way back in 2009.

The current discount on Scotiabank has also resulted in the bank's dividend shooting into the stratosphere. The current yield works out to an appetizing 6.43%, which is, by far, the best among its big bank peers. That yield also means that a \$40,000 investment in the stock will earn a first-year income of over \$2,500.

So, then, why should investors buy now? A \$5,000 initial investment today will buy 76 shares of Scotiabank. That's nine additional shares than a similar purchase at the turn of the year would get you.

In short, Bank of Nova Scotia and its sweet dividend is an investment you'll want in your portfolio for the long term.

## Promising stock #2: Forget the real estate bubble

As interest rates keep rising, the monthly cost of carrying a mortgage increases dramatically. In fact, in most cases, that increased cost isn't being matched (yet) by a proportional decrease in home prices.

In fact, the average price of a home in the major metro areas of the country is still over \$1 million, despite dipping a few points since February. As a result, this continues to price out would-be landlords from the market entirely.

Fortunately, there's another option. **RioCan Real Estate** ([TSX:REI.UN](#)) is one of the largest REITs in Canada. The REIT has turned its focus in recent years towards mixed-use residential properties in high-traffic major metro areas.

This means that would-be landlords can invest in RioCan for a fraction of a typical down payment, and still earn a handsome monthly income. RioCan's current distribution works out to a yield of 5.60%, which is paid out on a monthly cadence.

This means that a \$60,000 investment, which is less than half of the recommended down payment, will earn a monthly income of \$560. Keep in mind that's without a mortgage, property taxes, maintenance expenses, and finding tenants.

Starting off with just \$5,000 today will get investors 269 shares of RioCan. That's an additional 52 shares compared with what you could buy back in January.

It gets better still. Not ready to draw on that income yet? Reinvest it until needed and let it grow further, like in your Tax-Free Savings Account.

Finally, let's talk timing. As of the time of writing, RioCan is a promising stock trading near its 52-week lows.

## Plenty of stocks are trading near their 52-week lows

No investment is without risk, and that includes the stocks mentioned above. As a result of the market volatility this year, plenty of stocks are trading near their 52-week lows. Buying those right stocks while they are on sale can help kickstart your long-term portfolio into gear.

In my opinion, both Scotiabank and RioCan are great long-term investments that should be part of every well-diversified portfolio.

### CATEGORY

1. Investing
2. Stocks for Beginners

#### **TICKERS GLOBAL**

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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dafxentiou

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