3 “Keep it Simple” Stocks to Buy Today

Description

In times like these, when volatility rattles most new investors, it can pay to keep things simple. You don’t need to have an opinion on every stock that’s given coverage by the talking heads on television. What you do need is a list of “simple” stocks that you’ve already done the homework on and a handful of price targets you’d be willing to buy at.

Sure, circumstances can change as a result of moves in the bond market. A recession may cause you to second guess a decision to buy on the dip. Regardless, investors should stick with what they know to do well over the long run.

Consider the following three simple stocks today.

Bank of Nova Scotia

Bank of Nova Scotia (TSX:BNS) is a Canadian bank that’s been walloped amid the bear market. The stock trades at 8.2 times trailing price to earnings (P/E), which is close to the cheapest it’s been in years. Undoubtedly, the internationally focused big bank is incredibly profitable, with some of the most encouraging long-term growth prospects. Though the bank is an earnings-growth stud at a compelling price tag, there’s concern over the Latin American exposure in the face of a global downturn.

Higher growth means higher potential rewards. But in the context of Bank of Nova Scotia, it also means greater risks, especially in recession years. At $68 and change, the stock is already discounted with a downturn in mind. With a 6.02% dividend yield, the stock seems like a screaming buy right here.

TD Bank

TD Bank (TSX:TD) is another great bank that's trading at a historical discount. At 11.1 times trailing P/E, with a 4.1% dividend yield, TD stock is being priced with the fear of recession in mind. Despitethis, higher rates and strong longer-term loan growth should help the stock storm out of the gate oncethe recession jitters end.

TD has been making deals and will be tough to stop once integrations are complete. In the meantime, the stock will face pressure due to medium-term headwinds. If you're in it for the next three years, though, the stock is a top pick.

Franco Nevada

Franco Nevada (TSX:FNV) is a great way to score a lowly correlated return in a potential recession year. The company is a precious metal royalty and streaming company. With more resilient cash flows than the producers in the gold universe, Franco is a safer and less-choppy way to bet on a gold comeback.

Over the past year, shares are up more than 8%. The company has done such a great job of navigating the weakness in gold prices. Though nobody knows where gold is headed next, streaming companies like Franco are sure to do well, while insulating investors from the day-to-day chop in the commodities markets.

With a 0.92% dividend yield and a 0.55 five-year beta (less volatile than the TSX), Franco is a stellar way to do well if the bear market is not yet over.

Two banks and a golden royalty play

There you have it: three simple stocks that are rich with value and can help your portfolio navigate this volatile market storm going into 2023.

CATEGORY

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2. TSX:FNV (Franco-Nevada)
3. TSX:TD (The Toronto-Dominion Bank)

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joefrenette