Are Any of the FAANG Stocks Worth Buying Right Now?

Description

The FAANG stocks have not been spared from the latest barrage of selling. The bear market seems to be in control, with most of the cohort now deep in bear territory (a fall of at least 20% from peak to trough). Indeed, the FAANG group tends to provide the type of big tech exposure that Canadian investors can't find here on the TSX Index. As the U.S. dollar continues to retreat relative to the Canadian dollar, the time may come to give the top U.S. tech companies another look while valuations are on the lower end of the spectrum.

The FAANG names have been punished by varying degrees. **Meta Platforms** (NASDAQ:META) — the "F" in FAANG and formerly Facebook — lost more than 76% of its value at its worst. Now down around 70% from the top, the social media kingpin with sights set on the metaverse seems like a worthy deep-value option for brave Canadian investors willing to look to the bright side.

Apple stock: The "A" in FAANG gets an A grade!

Meanwhile, **Apple** (NASDAQ:AAPL) — one of the "A's" in FAANG — has outperformed its peers, with a solid third-quarter result at a time when its FAANG peers missed the mark. Now, Apple isn't big into guidance. And that may be a reason why it wasn't clobbered in its latest quarterly earnings result. Still, Chief Executive Officer (CEO) Tim Cook and his team are masters at navigating through macro headwinds. Though iPhone 14 shipments may be poised to come in lower than expected, the services business and the wildcard of a mixed-reality headset could continue to keep Apple's growth robust in a recession year.

Indeed, Apple really stood out from the FAANG group in the third quarter (Q3). Down just 16% (pretty much in line with the S&P 500), Apple stock trades at just shy of 25 times trailing price-to-earnings (P/E) ratio. That's still a rich multiple. Despite looming headwinds, the growing services business and wildcard hardware products make Apple a name that may be well worth the elevated price of admission.

Personally, I think Apple is a great buy for those comfortable with the downside risks. At the end of the day, the company has the must-have products and brand power that even other FAANG companies dream they could possess. Though a 20 times P/E would be more compelling, I don't think AAPL shares will trade down to such levels if we are, in fact, headed for a soft landing from Fed rate hikes.

Meta Platforms: Deep value in plain sight

Apple is a great bet, but for those looking for bigger gains in the event of a rebound, it's tough to top Meta. Sure, few are enthused over the metaverse and the billions to be spent. However, at just north of 10 times trailing P/E, you're getting a lot for your investment dollar.

You're getting a powerful social media empire comprised of Facebook, Instagram, and WhatsApp — the latter of which could be monetized in a big way. The metaverse wildcard, which seems to be weighing down the firm, and a smart leader in Mark Zuckerberg.

The real upside, I believe, is from metaverse budget cuts. If Zuckerberg can pull the brakes on the effort, I see shares surging much higher. Meta may be hated, but value investors should love it.

Bottom line

You can't go wrong with FAANG stocks. Meta and Apple are two of my favourites to buy right now. My takeaway? Stash Meta and Apple stock in your Tax-Free Savings Account, while prices are cheap and the Canadian dollar is in rally mode.

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