LAST GREAT BUYING
OPPORTUNITY
IN POST-COVID19 RALLY!
CRUSH THE STREET

Keep your eyes on the road and your hands on the wheel: the media will distract you from your purpose as an investor, which is to look where no one else is looking and find value where others will only discover it much later. That's the mandate of value investing and it works consistently if you apply its principles correctly.

The key is to be ultra-selective, do your homework, and cherry-pick underappreciated companies in markets with hyper-growth potential. In some instances, it's an established company that's only familiar to industry insiders, but hasn't been discovered by the public and the Robinhood crowd yet.

Once the retail throngs latch on to a company, it's off to the races – but you need to take action before they do. At the same time, you also need to stay disciplined, only accumulating shares at your buy-up-to price or lower. Just because you're an early stakeholder doesn't mean you'll buy at any price.

With that, here are nine companies that are ready to rally, even in the most challenging market conditions. Do your own due diligence and keep an eye on the buy-up-to price because timing is everything, even if you're planning to hold for a while.

Ciena Corporation (CIEN)

Tech is still king in the economy and stock market. It's awfully hard to identify bargains in the technology sector now, but there is a hidden gem in a subsector that's still in the early stages: 5G network communication infrastructure.

Courtesy: Ciena Corporation

A boatload of money is pouring into 5G and the rollout has been steady but is still expanding into areas where older technology still prevails. One example would be rural communities, where high-speed, low-latency bandwidth service is gradually being adopted and there's still a long way to go.

Meanwhile, in the cities and suburbs, millennials and Generation Z have come to expect 5G connectivity in their mobile devices. While companies like AT&T and Verizon are spending billions to maintain the network, someone has to provide the infrastructure to make it all possible.

Everybody thinks of Nokia when it comes to 5G infrastructure, but relations between nations are strained and you'll want to keep your investments local whenever possible. Ciena Corporation has been around since 1992 and is headquartered in Maryland, U.S.A. This company offers products to serve both the hardware and software needs of the 5G vertical:

- The state-of-the-art 5168 Router, which enables Cloud RAN architectures and provides high-density 10/25GbE to 100/200GbE aggregation
- The cost-effective 5164 and 5166 Routers implementing Ciena's Adaptive IP technology
- The Blue Planet Intelligent Automation software portfolio that facilitates and automates the end-to-end creation of dynamic virtual networks

Anything below $52.50 per share is good and below $47 is IDEAL for a piece of the company that serves the ever-growing demand for hardware and software in the 5G network ecosystem.

S&P Global (SPGI)

This might sound counterintuitive, but an older company can still find plenty of room to grow. Standard & Poor's formed way back in 1941, and while you're undoubtedly familiar with the S&P 500 large-cap stock market index, you probably haven't thought much about the company behind it.

S&P Global

Courtesy: S&P Global

Even beyond that, perhaps you never considered Standard & Poor's as a publicly-tradable entity, but it is investable under the name S&P Global and the ticker symbol SPGI and you can own a stake in this legacy company while collecting dividends along the way.

S&P Global earns around 13% of its revenues from indices, while around 29% comes from "market intelligence," which includes data, benchmarks, and analytics for the global capital and commodity markets.

However, nearly half of S&P Global's revenues are derived from what the company does better than anyone: ratings. There are only a small handful of recognized rating agencies in this area, and S&P is the biggest and most important one by far.

You could even say that S&P is feared in the world of finance. Companies seeking to issue bonds will submit them for a rating, ranging from AAA to D, to S&P Global's rating division. This rating is all-important because large-scale funds, including pension funds, look for the "seal of approval" that comes in the form of a high rating from S&P Global.

So, while everybody's chattering about Tesla's possible inclusion in the S&P 500, companies are happy to pony up big bucks for the chance to get a high rating for their corporate bonds. Thus, you can invest like a market insider by taking a long position in SPGI stock; the ideal starter price would be $309 or less.

LIMIT ORDER: $316 for an initial position.

TFI International (TFII)

Many of those Robinhood traders are obsessed with capitalizing on the "recovery trade" as the world attempts to return to its pre-COVID way of life. Investing in beaten-down sectors like cruise lines, restaurants, and airlines can be risky during a shaky recovery – but one sector that cannot and will not stop is trucking.

TFI International

Courtesy: TFI International

Canadian-headquartered transportation and logistics company TFI International is proud to keep its trucks on the road while nations and businesses struggle to recuperate from COVID. The lion's share of TFI's revenues come from the company's package and courier segment, which picks up, transports, and delivers items throughout Canada, the U.S., and Mexico.

If trucking is the lifeblood of the economy, TFI International is absolutely integral to keeping businesses healthy across North America. And with 81 acquisitions over the past 12 years, TFI's share of the market has expanded dramatically, allowing the company to consolidate a sizable swath of a largely fragmented trucking market.

TFI's second-quarter fiscal results indicate surprising strength, even during the worst-case economic scenario: a global pandemic. In just three months, TFI International generated $1.11 billion in total revenues, thereby contributing to total revenues of $2.35 billion for the first half of 2020 – very impressive given the circumstances.

While other traders are piling into crowded vaccine-manufacturer stocks, TFI International might actually be the best publicly-available "recovery trade" out there. As shoppers increasingly use e-commerce avenues to purchase goods, TFI facilitates same-day package delivery (which people have come to expect nowadays) through its expansive network of acquired transportation companies.

In light of this, Credit Suisse recently chose to maintain its Outperform rating on TFII stock while also raising its price target from $45 to $52 per share.

LIMIT ORDER: $36.

You don't have to buy the whole basket (S&P 500) when you can handpick the best and accumulate shares at your target price.

When you're able to filter companies for value, growth, and longevity, you can outperform those index funds. Let's take a closer look at six rock-solid picks for discerning investors, along with the recommended prices to start or add to your positions.

Alibaba (BABA):

Last year, when famous and charismatic co-founder Jack Ma left his position at Alibaba, the market overreacted, and that was a tremendous buying opportunity. You won't likely get to buy at that price again, but BABA shares are still a bargain because the company remains in hyper-growth mode.

Courtesy: Alibaba Group

As the impact of COVID-19 subsided in China earlier than it did in the United States, Alibaba's recovery was comparatively smooth and fast. Alibaba is basically the Chinese version of Amazon and the trend towards e-commerce largely benefited Alibaba and its stockholders. Alibaba is also in the payment processing business and that's a HYPER-GROWTH sector.

Analysts are bracing for strong growth in the wake of COVID. For the quarter ending on June 30, the experts expect that adjusted EPS will grow 5.6% for the quarter, and revenues are projected to grow by 28.6%. That's all during a quarter when COVID was still a factor.

For an e-commerce play in a region with an accelerated recovery timeline, you can start buying BABA shares at $223 or less.

Hyatt Hotels (H):

If there's any category of stocks that could potentially double from the current prices, it's hotels. The overreaction in Hyatt Hotels stock was outrageous because the share price plunged from $95 to $25 – you read that correctly – in a matter of weeks.

Courtesy: Hyatt Hotels

In all likelihood, the chance to buy at the 52-week low price won't happen again. Hyatt shares are a bargain nonetheless, with a P/E ratio of 20.69 and plenty of room to the upside before the stock reclaims the $80 level and, in due time, the $95 level.

Bear in mind that Hyatt is an international company with significant holdings in Asia. There, the recovery from COVID is progressing well and Hyatt's average full-service hotel occupancy reached 64% in mainland China recently – an impressive rebound from the 7% industry low seen in early February.

Hyatt stock hasn't priced this in as much as it ought to, but it will price in the Asian recovery and much more if and when a COVID vaccine is discovered. To take an early stake in anticipation of the hospitality market's comeback, you can buy Hyatt shares at $50 or below.

BEST LIMIT ORDER: $46

Waste Management (WM):

The fact that Waste Management shares still haven't returned to their pre-COVID levels is proof that the markets aren't perfectly efficient. If there's any industry that continued unabated throughout the COVID crisis, it is garbage and waste collection and disposal, which is what Waste Management specializes in.

Courtesy: Waste Management

You might have seen those ubiquitous WM trucks rolling down your block on trash pickup day. But don't forget another major aspect of Waste Management's business: collecting and disposing of medical waste. In a time when people are unfortunately prone to illnesses and the aging population is growing, this component of Waste Management's business should continue to thrive.

Also, don't ignore Waste Management's recycling business, which fared well even during the peak of the coronavirus crisis. In fact, during the second quarter, Waste Management's recycling segment revenues totaled $275 million. This marked a 4.2% year-over-year increase and provided further evidence of how recession-resistant this company can be.

This is an "evergreen" type of stock that should always do well over the long run, but if you're a bargain hunter like I am, you can start your position in WM shares at $101 or less.

Enstar Insurance (ESGR):

With $21.3 billion in assets, Enstar Insurance is a diversified insurance giant that's in it for the long run. A market leader in value-added acquisitions, Enstar has acquired over 100 companies and portfolios since the company's formation in 2001.

Courtesy: Enstar Insurance

The reward-to-risk profile with ESGR shares is highly favorable, with a P/E ratio of just 6.79. This means that while the share price has recovered most of its losses from the COVID crisis, Enstar's earnings should be enough to propel the stock considerably higher from here.

Nearly everybody assumed that insurance companies would flounder in Q2 because of COVID, but Enstar actually posted terrific numbers during this time. For instance, Enstar reported consolidated net earnings of $798.6 million, which is much higher than the $231.8 million recorded from the comparable quarter of the previous year.

Don't underestimate the resiliency of the insurance market – and especially Enstar Insurance – because firm fundamentals will always win out in the end.

LIMIT ORDER: $155 - $168.

Commerce Bancshares (CBSH):

In the realm of regional banking, Commerce Bancshares was way ahead of the pack when it comes to digital banking integration. Some other banking names were slow to act, but Commerce Bancshares actually encouraged its clients to do business with them without actually visiting a physical branch.

Courtesy: Commerce Bancshares

The company was a leader in e-banking prior to the onset of COVID-19, so they were ahead of the game when the world shifted to online banking due to stay-at-home mandates. Furthermore, Commerce Bancshares continues to innovate in mobile banking with secure 128-bit data encryption, same-day bill pay, Visa Mobile Location Confirmation, and iPhone X facial recognition technology.

Dividend investors should also appreciate the 1.77% annual yield provided by Commerce Bancshares. CBSH has some room to run before reclaiming its mid-February peak price.

LIMIT ORDER: $56

CitiGroup (C):

If you'd prefer to stick with a household name among mega-banks, CitiGroup is as good a choice as any. The market cap of $110.5 billion tells you everything you need to know: this is an S&P bank with a P/E ratio of just 9, CitiGroup stock is too cheap to ignore.

Courtesy: CitiGroup

The banking sector took a hit during the COVID onset, and CitiGroup was no exception. As a result, CitiGroup shares remain substantially below their pre-COVID price. Plus, even among big banks, CitiGroup's annual dividend yield of 3.86% is exceptional and should enhance any long-term investor's returns.

CitiGroup's most recent quarterly fiscal data indicates a resilient company: net income of $1.3 billion, revenues of $19.8 billion, and best of all, the company returned $1.1 billion of capital to its common shareholders during that quarter.

This is a company that respects and values its investors. To get the most out of CitiGroup stock, the recommended purchase price is $50 or less.

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