

hey what's up guys welcome back to my world of stocks
now the stock market as you guys know has been a bit shaky in recent weeks and personally i still think it's a bit too high
but i gotta admit there are quite a few stocks out there that are looking very attractive
so a lot of stocks in correction right now meaning they're down well over 10 from their highs and that got me thinking what are some good stocks to be purchasing right now on any dips i've got four stocks in particular for you guys today
all of these stocks are down from anywhere from like 15 to 30 percent from their high so these are some pretty big dips
and uh i think these are great long-term stocks so i went ahead and picked out four stocks that i really want to buy already at these prices and there's a one that is going to be a value dividend play
another one is going to be a growth stock uh
third one will be a foreign stock and then we've got a core foundational stock so we've got a bit of variety in there as well
so should be a lot of fun i hope you guys enjoy this video let me know what you think down below
hit the like button if you enjoy the video really helps the channel let's go ahead and jump straight into this
okay now kicking things off here let's start with our value dividend stock and for this one i chose the pharmaceutical giant merck ticker symbol mrk
and uh this is a stock that up until 2020 was performing pretty well but has since dropped by around 18 from that high
now there's a lot of reasons for that like fears of drug price reform as well as
a down year in profits last year for them but this is still a very solid company profits are usually in the billions while sales are in the tens of billions with

this year in particular expected to be a rebound of almost 10 growth in revenues while both this year and the next are also expected to see double-digit growth for their profits as well meanwhile they have what many predict will be the best-selling drug in the next couple of years in kittruda which is estimated to generate a massive over 22 billion dollars all on its own by 2025 which is about half of all the sales that merck brought in as an entire company last year and it doesn't even lose pan protection until i think around 2028 so plenty of years to keep raking in huge amounts of money and even when it does lose that protection merck is already working on a robust pipeline to offset the declines in the future which includes various treatments for things like cancers various illnesses and even the pepperoni and yet because the stock is trading so low their forward p ratio is actually close to 60 percent cheaper than the rest of the sector leaving them with a very nice dividend of over 3.5 percent on a low payout ratio of only around 40 percent and 11 years of consecutive growth add it all up and merck is looking really good to me right now so uh i actually went ahead and just started picking them up and started buying into the stock today actually uh i am actually very happy to add this one to my dividend uh portion of my portfolio by the way warren buffett recently purchased this one as well and i gotta say i agree with his decision there okay now next up here let's jump into our growth pick and for this one gotta go with with one of my absolute favorite long term tech plays in nvidia ticker symbol nvda now when looking at the stock

they saw a huge surge in 2020 but are now starting to correct a little with the stock recently dropping about 25

from their high i'll just tell you guys right now i went ahead and bought some more shares earlier today as well because i really i'm really liking this dip on nvidia now don't be full though into thinking that this is all of a sudden a cheap stock nvidia is still very expensive at a 4p ratio

of 36 but there are plenty of reasons to think that they will eventually grow into that valuation over time for one actually think nvidia's biggest growth will come years from now in the future and yet we are

already really seeing them start to put up impressive numbers this year both their sales and their profits

are expected to climb by over 30 percent and that's despite them having already climbed by over 50 percent the year before that as well

but the reason why i think that the larger growth is actually still to come is because nvidia operates in very large markets that

i think will be the foundation of almost everything that goes on in the future and

nvidia i think will be powering most of them with their high performance processing chips

as well as their various platforms and software's for example in the data center market

nvidia estimates that their total addressable market will surpass a hundred billion dollars in just a few years from now

for context their data center revenue was less than 7 billion last year and that was even after 124 growth year over year

so just imagine all the potential for even more growth that is still on the table

especially when you consider their new class of processors called dpus that are insanely more efficient than

cpus and a couple of blockbuster acquisitions in melanox and arm that will help their products and services expand to literally trillions of devices worldwide not to mention other areas for growth as well like for example gaming where literally billions of gamers worldwide will keep demanding that the market produce the most kind of lifelike gaming experiences possible i think nvidia will continue to play perhaps the biggest role in that as they lead the way in virtually all new graphical gaming technologies like ray tracing artificial intelligence and advanced shading now there's also the electric vehicle market that will soon be overtaking traditional gas vehicles as more legacy automakers try to desperately fend off tesla but if there's one thing that we can all agree on here it's that the legacy players will need robust autonomous driving platforms if they ever dream to compete with the likes of tesla and one of the easiest and kind of fastest ways to do that i've said this many times before before is to hire a third-party company like nvidia to actually do it for them who already has close to 400 different partners and finally i think that the most overlooked and kind of future growth driver for nvidia will actually be the internet of things and smart cities all of which can be powered in some way by nvidia as our populations keep growing and many large cities struggle to fit all of the people in there the fact of the matter is that we're gonna have to learn how to run cities more intelligently and more efficiently and that's exactly what nvidia's metropolis platform has already been working on for years they use artificial intelligence and deep learning

to improve public safety traffic management and resource optimization i think that market is going to blow up huge over the next couple decades and well into the future and it's going to require a lot of platforms and sensors and hardware and software and a ton of data to really be processed very quickly and efficiently and i think nvidia has one of the best shots of leading the way in that market so i'll gladly buy nvidia now at higher prices for the exciting future that i think they're gonna have

okay now moving on to stock number three that's going to be our foreign stock and really this one could easily count as another growth stock as well like similar to nvidia but that's going to be the chinese e-commerce giant in alibaba ticker symbol b-a-b-a no not a huge surprise i've talked about them a lot in the past but this is also a stock that i do already own myself and i would love to buy some more on this dip here speaking of which up until recently the stock was performing extremely well before finally taking a dip over the past couple months as they are now down about 30 from their highs at the time of this recording

there's several reasons for this for one chinese regulators halted the ipo of alibaba's largest spin-off company called ant group who is famous for their alipay service that holds over 1.3 billion users worldwide which for context is about three to four times larger than paypal and after delaying that ipo and forcing them to make changes to their business china went on to launch an anti-trust probe against alibaba which spooked investors in case you guys don't know what that means it's basically when a company gets too large sometimes the government will investigate them and try to kind of put stricter regulations

on them so that
they don't they can't really act like a
big monopoly and do
shady things that will make it
impossible for smaller companies to
compete with them
anyway there was also a u.s ban on
certain chinese stocks
although it was later revealed that
alibaba would not be included on that
list at least for now
but because alibaba is one of the most
heavily invested in
chinese companies in the united states
investors got scared that a huge portion
of its
investor base would be forced to sell
and that coupled with all of those other
issues just
really added up to a big drop in the
stock price at a time when most other
tech companies especially e-commerce
ones have really been soaring because of
the
pepperoni lockdowns where everyone's
been using like all of their services
now those that are bullish on alibaba
though myself included
feel that now that a lot of this like
negativity is being priced into the
stock
this could turn out to be one heck of a
buying opportunity for the long term now
just to be clear i don't ever buy too
much of an amount of like foreign stocks
especially chinese ones because
of all the risks that they carry which
i've discussed in previous videos but if
you're able to look past that
and accept the risk you know there's
actually a lot to like about alibaba
stock
for one the stock is trading with a
forward p ratio of less than
20 and a peg ratio of less than one
yet when you look at their financials
the company performs
similarly to amazon with unbelievable
growth for their
already gigantic size this year they're
expected to do
over a hundred billion dollars in
revenue and that's still with growth of
over

40 percent i mean what other company out there has the valuation of alibaba and still puts up these kind of numbers and it's not like they're not profitable or like there's something seriously wrong with their business in fact they're very profitable with over 25 billion dollars in free cash flow over just the past 12 months and all of this is in u.s dollars by the way not like chinese yuan now if you want to know how alibaba is doing this all you really have to do is read this new report from emarketer that just came out recently where they estimate that china will become the first country in the world to have their e-commerce market make up over 50 of all their retail sales no other country in the world even comes close south korea in second place doesn't even reach 30 percent when you look at the united states they're only at a measly 15 by comparison to give you some more context china's e-commerce market is expected to grow by 21 this year as it approaches 3 trillion dollars in sales which is like more than three times larger than even the united states that's pretty crazy and of course alibaba dominates most of this market at over 50 percent market share the next closest is jd.com it's only at about 15 by the way emarketer also specifically mentions the global health issue and the resulting lockdowns as something that has really pushed online sales even further and they note that online grocery shopping has really surged recently and that may be a change that is here to stay well guests who just increased their stake by literally billions of dollars in one of china's largest hyper market and supermarket companies that operates close to 500 individual stores yep alibaba did and that's going to

dramatically increase their footprint
across the country
making it even easier to implement
online grocery shopping
among other things then you add on their
largest market share in cloud computing
in the asia region
and all kinds of other projects in
artificial intelligence gaming and even
electric vehicles and you're talking
about a massive company that isn't
going anywhere the risk to investors is
that because it's a chinese company
we can basically get screwed at any
moment as investors
or i should say as like foreign
investors but for me the stock is just
too attractive to ignore
and especially the further drops i
really like it here
even with the added risk again i i know
chinese stocks are controversial i'm not
saying
you know there's even ethical issues and
all kinds of stuff but
in terms of just looking at it
objectively as a stock i gotta say it's
really an attractive one
okay now finally we are down to our core
foundational stock a stock that
one could theoretically build like an
entire portfolio around because of its
massive size profitability solid
business and
overall reliability and right now i
gotta say the social media giant's
facebook ticker symbol fb is looking
pretty damn attractive
now they've always been a pretty decent
performer and uh they especially had a
very strong
2020 leaving them up over a hundred and
forty percent in the past five years
but they've also been known to go
through a few dips once in a while
and the last few weeks have been no
exception they're currently down about
15 from their high that's good news
though to any facebook bulls out there
because it leaves one of the biggest
companies in the world with actually a
very attractive valuation
at a pg ratio of less than one for
context that's cheaper than any of the

giant fang stocks
including microsoft so like amazon apple
netflix google microsoft
facebook beats all of them on value
based on that pg ratio
and yet it's not like facebook is a
dying company or you know kind of
struggling to grow or anything like that
in fact
they could easily be considered the
third growth stock on
today's list despite their already
massive size sales are expected to
surpass a hundred billion dollars this
year
and yet they continue to put up growth
rates of over 20 percent that is insane
of course a ton of that growth is sadly
thanks to the pepperoni lockdowns as
people are
kind of stuck at home and spending so
much time on their phones and on
social media but for facebook it's now
giving them over three
billion monthly active users on at least
one of their several apps like facebook
instagram messenger
or whatsapp that's getting pretty close
to half of the entire world's population
which companies can directly advertise
to by paying facebook a fee and
as long as facebook's apps stay relevant
the money will keep pouring in because
these advertisers love the fact that
they can
target directly to any audience they
want since facebook basically knows
everything about you at this point
whether that's ethically good or bad
it's just the reality that we live in
right now
now admittedly i've always been hesitant
to buy facebook myself because
i feel like people are getting pretty
bored of facebook itself like
facebook.com
i actually never even use it myself but
instagram on the other hand has been
on fire for years and continues to grow
larger
check out this chart here from pew
research showing social media platforms
you can see that facebook kind of
flattened out there in recent years but

instagram
completely took off and left all the
other competition behind in terms of
growth
although admittedly tech talk has
probably been seen like much higher
growth but
they're not included on this list
because i think it went a little far
back uh either way though
i really don't think instagram is going
anywhere because they have a huge young
user base
in fact 72 of all teens say they use
instagram
and 73 of them say that it's the best
way for brands to reach them about new
products that's pretty crazy
because of that it's estimated that over
75
of all u.s businesses are already on
instagram and according to smartly
around 65 of all social media ad dollars
are spent on either facebook or
instagram so as long as facebook can
stay relevant as a company and either
keep their apps popular or introduce new
ones they'll likely continue to dominate
that's a very real possibility and
especially in terms of
making new ones considering that they
have so much cash to spend on virtually
anything they want
operating cash flow was nearly 40
billion dollars last year alone and
one of the absolute they have one of the
best uh absolute best balance sheets in
the world right now
at over 75 billion dollars in current
assets
that's more than double all of their
liabilities combined
and they have a current and total ratio
of both above
five that's like that's very very high
in case you're not familiar
with those ratios you want to be above
one but being above five that's crazy
add it all up and really i think uh the
only threat to facebook's dominance will
be
like anti-trust regulations from the
government if they try to like break
them up or put other restrictions on

them but
even then at today's valuation it's
still pretty attractive even if
some of that stuff ends up happening
even if they were getting like split up
or different things
anyway those are the stocks that i'd
like to keep at the very top of my watch
list right now
sucks that i want to purchase uh nvidia
and merc
actually already started purchasing
today and then uh alibaba and facebook
still kind of
considering it alibaba is a stock that i
do already own it is a big position so
maybe just kind of nibbling a little bit
and then facebook is that last stock
that
i don't own yet but definitely thinking
about picking it up right now so
anyway that's kind of what's going
through my head right now i hope you
guys enjoyed the video let me know if
you agree or disagree with anything i
said
any stocks that are on your radar make
sure you let me know down below i'm
always looking for more stocks to throw
into new videos
but uh thanks again for watching guys i
really appreciate all the support
i'll catch you in the next one hope
you're all doing well take care
[Music]
bye