Five Top Blood in the Street Opportunities to Own

The fear has become palpable.

Panicky investors have sent major indices down thousands of points. Rational thought has gone out the window. All thanks to an invisible virus that's making its way around the world.

But what we have to remember is that the virus will pass – and that markets will bounce back.

Granted, we may see further chaos in the next few months.

But to make money in this market, it may pay to buy the excessive pessimism, as Sir John Templeton used to advise. Or as Baron Rothschild would say, "The time to buy is when there's blood in the streets, even if the blood is your own."

Here are some of the top stocks that could recover well with plenty of patience.

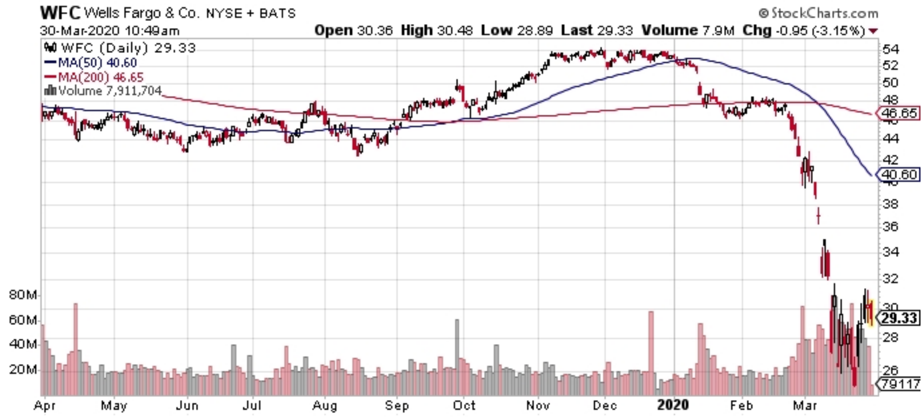
American Airlines (NASDASQ:AAL)

Airline stocks like American Airlines (AAL) have been grounded. After topping out at $30, AAL shares quickly sank to $14 – where it's become tough to ignore the stock. While airline earnings will take a hit, much of the chaos has been priced in.

Also, President Trump has pledged to help airlines, noting, "Airlines would be No. 1. You go from having the best year they have ever had to having no passengers because of what we have had to do to win this war – and it's a war." Months from now, when no one is talking about the coronavirus, airline travel and stocks are likely to come back strong.

Wells Fargo & Co. (NYSE:WFC)

After an incredible drop, Wells Fargo is a bargain at $29 a share. At the moment, WFC sits at lows we haven't seen since 2012. With the government likely to push forward with an aggressive stimulus package, bank stocks are more than likely to rally back. Near-term, we'd like to see WFC refill its bearish gap around $50 a share.



Expedia (EXPE)

Expedia took a nasty hit, as the virus wiped out the travel industry. However, after falling from $120 to a current price of $55, it's quickly become another hot blood in the street opportunity. With patience, and a resurgence in travel, EXPE could refill its bearish gap around $120 again – with patience. After all, the industry won't disappear. Expedia, says SunTrust Robinson Humphrey, as quoted by Barron's, "is likely to meet liquidity requirements under reasonable stress and will likely act aggressively to reduce costs."

Nike Inc. (NKE)

Nike is another top stock that was beaten up by the coronavirus. But it's now wildly oversold and just starting to bounce back. Near-term, we'd like to see the stock back to $103 a share. Despite the setback, Nike continues to grow. Global sales grew 7% after adjusting for currently exchange rates, which is great news considering China sales fell for the first time in years.

NVIDIA (NVDA)

When it comes to NVIDIA, avoid the noise. Focus on the long-term opportunity.

For one, the stock is likely to benefit from the release of new gaming consoles later this year from Microsoft and Sony. In fact, Bank of America just reiterated its buy rating on the stock with a $300 target, believing it could benefit from a PC GPU upgrade cycle on par with what has been seen with prior console launches.

Better, analysts at Needham just upgraded the stock to a buy from a hold, noting that NVDA's GPUs and artificial intelligence capabilities are attractive. "During this uncertain time, superior balance sheets remain supreme," they noted, adding that NVDA has a net cash position of $8.9 billion, or $14.34 a share, which puts it second behind Taiwan Semiconductor Manufacturing. Also, "Once the [Mellanox] deal closes ($6.9 billion enterprise value, C1Q close), we calculate net cash will remain the second highest in the industry at $2.0 billion."