3 Battered Stocks That Could Bounce Back

Description

If you have been investing in the stock market over the last five years, chances are you have done very well for yourself. But that leaves one major problem: cheap stocks are difficult to find.

On that note, not all companies have participated in the rally. And if you're looking for cheap stocks, it's these three companies you may want to look at first.

1. Teck Resources

The past three years have not been kind to mining investors. The main issue has been a slowdown in investment spending in China, causing commodity prices to fall sharply. One company caught in the middle has been **Teck Resources** (TSX: TCK.B)(NYSE: TCK).

Teck makes about half its money off of steelmaking coal, a commodity especially at risk to a Chinese slowdown. This is because China accounts for nearly 50% of steel production and demand. And this steel is mainly being used for construction of buildings. As this activity has been slumping, prices for Teck's product have plummeted.

If China were to resume previous growth rates, or if India were to pick up the slack, then prices for Teck's coal could rebound significantly. And if this were to happen, then Teck's shares would take off. But many observers believe the worst is yet to come in China, so this remains a risky stock.

2. Cameco

The past three years have also been very unkind to uranium producer **Cameco** (TSX: CCO)(NYSE: CCJ). The nuclear disaster at Fukushima and its aftermath have put a dent in demand for uranium, and supply has held up surprisingly well. As a result, uranium prices remain stuck in the high $20s per pound. Back in early 2011, uranium traded above $70.

That being said, uranium prices can only stay low for so long. Sooner or later, money-losing producers are going to stop mining the stuff. And eventually countries like Japan will have to restart their nuclear power production – the alternatives (such as liquefied natural gas) are just too expensive. That should be good news both for the uranium market and Cameco's stock price.

3. BlackBerry

No conversation about depressed stocks would be complete without mentioning **BlackBerry** (TSX: BB)(Nasdaq: BBRY). The smartphone maker was once Canada's largest company, but has since lost nearly its entire market share to rivals **Apple** and **Google**.

But new CEO John Chen seems to have the right priorities in place and is shifting BlackBerry's focus towards what it does best. He has an excellent track record of turning around troubled companies and if he is able to work his magic again, then BlackBerry's investors will finally have something to cheer about.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:CCJ (Cameco Corporation)
3. NYSE:TECK (Teck Resources Limited)
4. TSX:BB (BlackBerry)
5. TSX:CCO (Cameco Corporation)
6. TSX:TECK.B (Teck Resources Limited)

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