3 “Hail Mary” Stocks for 2016

Description

January is an important time of the year for fans of American football.

With the spirit of the season in mind, I thought it might be fitting to suggest three names that might be worthy receivers of a long-shot investment.

These stocks are certainly risky, and investors should only consider buying them with spare cash that is sitting on the sidelines. In fact, the companies are way past the two minute warning, and the clock is ticking towards the final seconds of the game.

Nonetheless, here are the reasons why I think **Crescent Point Energy Corp.** (TSX:CPG)(NYSE:CPG), **Teck Resources Ltd.** (TSX:TCK.B)(NYSE:TCK) and **Bombardier, Inc.** (TSX:BBD.B) might be interesting picks.

Crescent Point

The bloodbath in the oil market continues to hammer energy stocks. With little hope of a recovery in sight, most investors are giving the sector a wide berth, and that’s probably the best strategy until an obvious bottom has been reached.

However, contrarian types are starting to rub their hands together with greed because they know an oil rebound will eventually come and send energy stocks soaring.

Crescent Point isn’t at risk of going bankrupt, but the stock has been beaten down so much that a double on the stock is very possible in a short period of time.

The company owns a fantastic portfolio of assets and is run by a savvy team that knows how to capitalize on opportunities.

The dividend should be considered a bonus and Crescent Point's shares could move a lot lower if WTI oil drops below US$30 per barrel, but the upside potential is significant enough that Crescent Point might be worth a shot.

Teck

Teck has to be the most unfortunate stock in the commodity space. The company produces copper and metallurgical coal, two commodities that have seen their prices get absolutely obliterated.

China is the big culprit because the country is the largest importer of the products. With economic woes continuing in the country, there is little evidence of a rebound in the coal and copper markets.

Here's the opportunity.

Teck is a low-cost producer and capable of riding out the slump better than most of its peers. The balance sheet is heavy with debt, but most of the notes are not due for a long time, and Teck has access to a substantial amount of cash.

If commodity prices begin to recover in the back half of 2016, Teck could move significantly higher. A bounce in oil would also give the stock a lift because Teck is a 20% partner on the Fort Hills oil sands project.

The last time Teck traded near $5 per share, it rallied to $60. There is no guarantee the same thing will happen this time, but the upside opportunity is huge if things go right.

Bombardier

The turbulence at Bombardier has left most the company's investors battered and bruised, and there is a good possibility the rough ride will continue.

The company is sitting on a mountain of debt and is struggling to find buyers for its over-budget and extremely-behind-schedule CSeries planes. The market has pretty much given up on management's ability to turn things around, and that's why there might be an opportunity here to book some serious gains.

A few new CSeries orders from major carriers could bring investors flying back in to the stock. This one isn't for the faint of heart, and the track record to date suggests the taxpayers might end up bailing Bombardier out, but the stock could soar if all the stars finally align.

CATEGORY

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:TECK (Teck Resources Limited)
2. NYSE:VRN (Veren)

3. TSX:BBD.B (Bombardier)
4. TSX:TECK.B (Teck Resources Limited)
5. TSX:VRN (Veren Inc.)

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