



2 Stocks That Could Be Ready to Take Off!

Description

When stocks see large declines in their share prices, it could present an opportunity for investors to buy at a bargain and potentially see significant capital appreciation later. It may not be an easy investment to make, and it can be difficult to stomach the losses, but the investments could result in big payoffs.

However, it is not a guarantee that just because a stock has been on a significant decline that it will recover, and there is a risk that the losses could continue to mount. I'm going to have a look at two stocks that have had awful years so far that are trading at big discounts and that could be great buys today.

Tahoe Resources Inc. (TSX:THO)(NYSE:TAHO) is a stock that has lost over half of its value in 2017 and is trading at a little more than 70% of its book value. Tahoe Resources saw its share price lose 33% in one day when its permit was revoked for its Escobal mine located in Guatemala.

The company has faced protests from indigenous groups in the area and the issue surrounding the permit was that Tahoe Resources did not consult with these groups beforehand. However, back in September a Guatemalan court reinstated the company's license, but it could still be appealed and still presents a great deal of uncertainty for the company and its investors.

The mine is responsible for nearly half of the company's sales and is one of the largest silver mines in the world, so there is significant potential upside in the stock if no further issues pop up. I don't believe the Guatemalan courts will present a significant roadblock to the company's operations at the Escobal mine, because it would be a big blow to the local economy and could scare off future investments in the country.

The stock price had a 34% increase in price when the permit was reinstated, but it is still trading at less than 60% of where the share price was back in July, before the permit was revoked. With a lot of pessimism priced into the stock price, it could be a great value investment today.

Baytex Energy Corp. ([TSX:BTE](#))(NYSE:BTE) is another stock that has dropped more than 50% of its share price this year. Even rising oil prices have not helped the stock, with returns being flat in the past

three months.

Without any negative press recently plaguing the company, and Baytex showing 40% sales growth in its most recent quarter, it's a bit of a mystery as to why this stock cannot find its way out of the gutter.

The stock is currently trading at less than 40% of its book value and is near its all-time low of just \$2.76. The share price could see a lot of upside from where it is now, and it looks like the stock has strong support at \$2.95, so unless the company has a poor quarter, I would expect the price to have much more potential for upside than it does for declining further.

However, more cautious investors may prefer to wait for a recovery in the stock price before investing to confirm that the free fall is over.

CATEGORY

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

TICKERS GLOBAL

1. TSX:BTE (Baytex Energy Corp.)

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