



## 4 Oversold Stocks That Could Take Off!

### Description

On the TSX, where we've seen lots of fluctuations this year, buying when stocks are overbought and at their peak could result in losses that otherwise should have yielded you decent returns. Some people may tell you that timing a stock is not a useful strategy and that it doesn't pay off, but doing so effectively could help you maximize your returns.

One indicator I use when evaluating whether a stock is overbought or oversold is the Relative Strength Index (RSI), which tracks average stock gains and losses, typically over the past 14 days. When the RSI level is less than 30, that is an indicator that the shares are oversold and could be due for a reversal.

I have a list of four stocks below that meet these criteria and that could be great buys today.

**Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX) saw its share price drop 7% last week, as the company's earnings failed to impress investors and sent the stock to under \$20 a share and near its 52-week low. Year to date, the share price has lost 12% of its value, and the stock's RSI level was 28 at the end of October 27, suggesting it may have reached a bottom.

The share price has generally found strong support at \$20 for much of the year, so we could see the stock recover to those levels, at least in the short term. The company still presents strong growth prospects, and the small \$11 million loss the company posted recently should not make investors forget that over the previous three quarters, Barrick has accumulated profits totaling more than \$2.1 billion.

It was a disappointing quarter, but it hardly makes the stock a bad investment, especially as gold prices continue to rise.

**Valeant Pharmaceuticals Intl Inc.** (TSX:VRX)(NYSE:VRX) has seen its share price drop 14% last month, and the stock's RSI level currently sits just above 27. Although [this is not a stock that I'm a fan of](#), it has seen support at \$15 a share for most of the year, and in the short term, investors could be able to make some gains off of it, especially if the company can put together a strong quarter.

**Corus Entertainment Inc.** ([TSX:CJR.B](#)) has also underwhelmed investors with its latest earnings report, and the stock declined 10% in the past month. As a result of the decline, the already high-yielding dividend stock is now paying investors almost 10% a year. Although the dividend may seem high, [it's not a payout that I believe is in any imminent danger](#).

At an RSI level of just 13, the stock is heavily oversold, and it is near its 52-week low. It could be a great investment that provides you with an excellent dividend along with prospects for strong capital appreciation.

**Aritzia Inc.** ([TSX:ATZ](#)) recently reached its one-year mark on the TSX, and, unfortunately, since inception, the stock has dropped 34% in value. Last month, the share price declined by over 24%, as investors were unimpressed with the company's recent earnings, which showed that sales growth was starting to slow down.

The stock is coming off a new all-time low, and with an RSI level of 26, it has actually improved from earlier in the month, when the RSI level dipped below 20.

## CATEGORY

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

## TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:BHC (Bausch Health Companies Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:ATZ (Aritzia Inc.)
5. TSX:BHC (Bausch Health Companies Inc.)
6. TSX:CJR.B (Corus Entertainment Inc.)

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