4 Media Stocks That Have Been Crashing That Could Be Great Buys Today

Description

In the past month, we've seen the bears come out on both the TSX and NYSE. While some industries were hit harder than others, media and telecom stocks also weren't spared. Ever since **Corus Entertainment Inc.** (TSX:CJR.B) released disappointing quarterly results earlier this year, concerns relating to the threat of online streaming have been renewed, and investors have wanted out of media stocks. This drop in price, however, creates an opportunity for investors to pick up some bargains as a result of what I'd consider to be a market overreaction.

Rogers Communications Inc. (TSX:RCI.B)(NYSE:RCI) has seen its share price decline 14% in the past three months. Investors were unimpressed with the company's performance in Q4, where its top line grew mainly through higher prices. The stock is not quite at its 52-week low, but it has been oversold based on its Relative Strength Index (RSI), which was recently under 30.

RSI helps to measure whether a stock is oversold by looking at the average gains and losses over a period of time, typically the past 14 trading days. A value under 30 indicates that a stock is oversold and could be due for a reversal. However, Rogers has been sitting in oversold territory for much of the year, with no apparent end in sight.

With a price-to-earnings (P/E) ratio of 17, the stock could be a good value buy, especially in light of its recent sell-off.

BCE Inc. (TSX:BCE)(NYSE:BCE) is another stock that's recently gone into oversold territory, although it has since come out of it. That being said, BCE is still down 10% in the past three months, and it hit a new 52-week low earlier this month. BCE is normally a very stable stock, and so a big sell-off is not typical, making it all the more likely for a rebound to happen sooner or later.

The stock also trades at 17 times its earnings and is a similarly good value buy compared to Rogers.

Shaw Communications Inc. (TSX:SJR.B)(NYSE:SJR) has declined nearly 10% in the last three months, despite showing both sales and profit growth in its most recent quarter. In addition, the company has greater prospects for growth than the other telecom stocks on this list simply due to the potential that exists for growth for its Freedom Mobile carrier, which currently is not a big player in the industry, but that could change very soon.

Nonetheless, investors have been very bearish about media stocks, and Shaw has been no exception. It too has been oversold for most of the year, and it currently sits at an RSI of 27 after recently hitting a new 52-week low. While there's no guarantee if or when Shaw's stock will bounce back, it has great growth potential and only trades at a P/E ratio of just 14.

Telus Corporation (TSX:T)(NYSE:TU) has seen the mildest sell-off on this list with its share price dropping just 6% in the past three months. Unlike the other stocks in this list, Telus has only briefly dipped into oversold territory. The stock is a great buy as Telus has a lot more upside at this price, especially after a great Q4 that showed strong growth.

CATEGORY

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2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:SJR (Shaw Communications Inc.)
4. NYSE:TU (TELUS)
5. TSX:BCE (BCE Inc.)
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