# Is This the Next Major Sell-Off? Get Ready to Load Up on These Bargain Stocks Over the Next Week

## Description



It looks like the trade war is heading to the next level with Gary Cohn resigning as Trump's top economic advisor. Cohn disputed the steel and aluminum tariff, and with his recent resignation, it's clear that he wants nothing to do with what appears to be the beginning of a global trade war.

The possibility of a recession is real, and if you're still not prepared after the February correction wake-up call, then you could be in for a very rude awakening should trade concerns make way for a bear market (+20% market decline). In a previous piece, I'd mentioned that a "bloodbath" would be likely if Gary Cohn left the White House, and just a day later, it happened, so investors should get ready to capitalize on another sale as the markets re-test the February 8th lows.

Last year, everybody was a raging bull over the implications of corporate tax cuts, but this year, greed may turn to fear in what will seem like an instant. Volatility has made a comeback, but that's good news for do-it-yourself stock pickers, since it's markets like these where the real long-term money is made. Stocks are pieces of businesses, and if the underlying business is still firing on all cylinders, then such sell-offs present attractive entry points to those who have the contrarian mindset and enough cash to pull the trigger when everybody heads for the exits.

The bloodbath will spill over to the Canadian markets, so here are two already cheap stocks that could become cheaper over the coming weeks. If you've got a cash hoard, get ready to put it to work!

Without further ado, here are the stocks to keep an eye on:

**Canadian National Railway Company** (TSX:CNR)(NYSE:CNI)

CN Rail recently had its CEO Luc Jobin "step down," which essentially means he was given the boot in the midst of a rail shipment overload.

"The board believes the company needs a leader who will energize the team, realize CN's corporate vision, and take the company forward." said board chairman Robert Pace.

As the company goes on the hunt for its new leader, many investors have been throwing in the towel on the stock due to uncertainties arising from an imminent trade war with the U.S.

If you take a look at the bigger picture, you'll find that CN Rail has an opportunity to rebound in a big way as shipments soar. The stock is ridiculously cheap right now at just 13.1 times trailing earnings. Over the next few weeks, the stock could become even cheaper, creating a rare opportunity to pick up shares of a dividend-growth aristocrat at a vast discount to its intrinsic value.

**WestJet Airlines Ltd.** (TSX:WJA)

WestJet is another stock that's dirt cheap at just 10.4 times trailing earnings. The stock is still 26% lower than its all-time high, but I don't think it'll remain at these depressed levels for long with its low-cost airline Swoop ready to take off this summer. I think it'll be a huge success that could cause the company's year-over-year ROIC decline to finally come to an end.

With an emphasis on lower costs and higher efficiencies, it appears that the "cyclical discount" on WestJet (and other airlines) may gradually vanish over the next few years, as such firms become more economical, even through harsh economic environments.

**Bottom line**



Have a buy list ready now, because the Cohn sell-off may cause a panic that could bring U.S. markets into bear market territory. This is an opportunity of a lifetime to pick up the stocks of severely undervalued companies like CN Rail and WestJet. Young investors should be excited about stock sales that are coming up ahead. Don't be a seller of quality merchandise if the dip is sharper and deeper than expected. Be a buyer; buy gradually on the way down, and you'll eventually come out on top.

Stay hungry. Stay Foolish.

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