3 Undervalued Stocks With Lots of Upside

Description

Valuations are high these days in many industries, and finding stocks that are priced well and that have a lot of upside are hard to find. Below are three stocks that could be great buys today, and that could see their share prices rise this year.

Cenovus Energy Inc. (TSX:CVE)(NYSE:CVE) has been rising in value lately, although it is still far removed from where its stock was last year, when it saw a massive sell-off after a questionable investment made investors who were uneasy about the stock's future. The share price is up more than 35% in the past three months, and it's still a good buy, trading near its book value.

A low price of oil has made it a challenging time for oil and gas stocks, but ironically, in its last quarter Cenovus saw a dreadful quarter amid rising oil prices, as the company's hedging strategy didn't pay off and has been labeled as being too aggressive. However, with the tide in the industry turning, Cenovus looks poised and well positioned to take advantage of more bullish conditions.

While the stock is creeping closer to its 52-week high of $14.65, in December of 2016 the share price was sitting comfortably above $20. Over the past five years, the stock has declined nearly 60%, and there's a lot of room for the share price to rise in value if the company can continue to win back investors.

Hudson's Bay Co. (TSX:HBC) has struggled this year with its stock price declining more than 20% since January, and at just over $9 a share it is approaching its 52-week low. The company faced a lot of pressure last year over its performance, and HBC ended up selling some key assets to strengthen its financials.

The company has grown internationally, and while it has struggled to turn a profit, with just one of the past five quarters being in the black, HBC still has a lot of room to grow, especially as it leverages its other assets to do so. Although, in its most recent year, the company failed to achieve any growth in its top line, in 2017 its sales were up 30%, and if HBC can prove that last year was just an anomaly, the share price won't stay this low for long.

There are many opportunities for HBC to grow, and with the stock trading heavily below book value, it is an opportune time to buy.

RioCan Real Estate Investment Trust (TSX:REI.UN) hasn't seen much more bullishness either, as in the past year the stock has been down 8%, but unlike HBC, the company has had no problems staying out of the red. RioCan provides investors with great stability, as in each of the past five quarters its sales have been over $285 million, and the company has averaged a solid 60% profit margin during this time as well.

The stock is trading around its book value, and with a price-to-earnings ratio of 11, it's a stock that will appeal to value investors. The share price is overdue for a recovery, and while investors may be bearish on REITs given the recent problems we've seen in the world of retail, RioCan has a great strategy in place to mitigate that risk.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:CVE (Cenovus Energy Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

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