These 2 Discounted Stocks Could Make You Rich!

Description

At times, the market can be particularly harsh on some companies that are (at least perceived to be) going through a rough patch. It could be anything from a miss on earnings, a failed attempt to launch a new product, or even a proposed deal that has either gone bad or came at too high a cost.

In any event, even good businesses sometimes fall prey to emotionally charged investors, and this presents an opportunity for long-term investors. Here are several great investments that have been weighed down heavily in recent months.

Enbridge (TSX:ENB)(NYSE:ENB) is a long-time favourite for anyone that can appreciate a lucrative business model. The energy infrastructure company operates an impressive network of pipelines that spans 2,700 km across North America, carrying a third of all oil produced on the continent.

As the oil traverses the pipeline network, Enbridge collects a fee for using its network, not unlike a toll for using a highway. In other words, Enbridge has a stable and recurring source of revenue.

While Enbridge has grown over the years, the acquisition of Spectra Energy Inc. last year came at a high price, leaving the company incredibly indebted by billions, which led to a sell-off on the stock and even a credit downgrade. Over the past 12-month period, the stock is down nearly 10%.

The opportunity for investors lies in the fact that despite recently conducting a restructuring and selling off assets to pay down its debt, Enbridge is still greatly discounted.

Two other bonus factors worth mentioning are the billions in shovel-ready projects the company has and the impressive quarterly dividend that pays an appetizing 5.77% yield.

Cineplex (TSX:CGX) may best be known as the largest movie theatre company in Canada, but the company has diversified in recent years to encompass other entertainment options.

Critics often point to Cineplex's aging movie-and-popcorn business model as outdated and no longer sustainable, owing primarily to the proliferation of internet-connected devices and streaming service options to play the latest Hollywood blockbuster on. Another point often mentioned is that Cineplex's core business is incredibly vulnerable to Hollywood having a less-than-stellar box office season, as was seen last summer.

As a result, Cineplex's stock price has dropped over 20% year to date.

In reality, Cineplex is becoming increasingly diversified on multiple fronts. Over the past few years, Cineplex has increasingly embraced the e-sports community by investing in WorldGaming and then hosting a series of events that continue to draw in crowds and revenue for the company. The company's VIP experience provides a higher-quality experience for movie goers, and its newly expanded VR Service is being added to Cineplex's Rec Room concept.

Speaking of the Rec Room, the multi-configurable entertainment facility has proven so wildly successful that Cineplex is actively expanding to additional locations across the country.

Adding to this, Cineplex has also made gains through its Digital Media segment, which is best known for installing menu-board screens in a variety of fast-food restaurants around the country and internationally.

Keep in mind that Cineplex's traditional movie business is slated to continue performing well, as a series of anxiously expected blockbusters continue to draw in crowds.

Finally, let's not forget the monthly dividend, which currently provides an impressive 5.7% yield.

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