



2 Stocks Approaching Oversold Territory That Could Be Great Buys Today

Description

I'm definitely a bargain hunter when it comes to stocks, and while many might say that trying to time when you buy a stock is pointless over the long term, there's no question it can have a big impact on your overall returns.

If you're bullish on a stock that's trading at its all-time low, your returns will look significantly different than if you had bought when it was closer to its peak. While I wouldn't suggest waiting for an individual stock to drop in price, since you may spend a long time waiting for it to get to a desired level, it's always good to keep your options open in case similar stocks go on sale.

By using a technical indicator like the Relative Strength Index (RSI), you can quickly scan stocks that have been oversold or are approaching that level. When the RSI value dips below 30, that's an indication that the stock has been oversold and could be due for a recovery. While it's not a guarantee that it will recover, it's a good way to find potential deals on the market.

Below are two stocks that have recently dipped in price and are near oversold territory that you may want to consider buying today.

Stars Group (TSX:TSGI)(NASDAQ:TSG) has been one of the [top-performing stocks](#) on the TSX in the past 12 months, rising 90% since then, and that's after a decline of 14% in just the past month.

Other than the company converting preferred shares into an additional 52 million common shares, which would have created downward pressure on the stock price, there haven't been any other developments in the past month that would have justified this big of a sell-off.

On Friday, Stars Group announced that its World Championship of Online Poker tournament prize pool will be over \$70 million, which is the largest guaranteed amount ever in such a tournament. Online poker is only getting more popular, and with the U.S. looking to open its doors to [online sports betting](#), it could mean big things for Stars Group.

The stock is a great buy even without the dip in price. At an RSI level of around 30, Stars Group is right around the oversold mark, and the last time it dipped that low was back in September of last year when

the stock was trading around \$20.

Crescent Point Energy (TSX:CPG)(NYSE:CPG) is another stock that is near oversold territory with an RSI of just under 32 as of the end of last week. The share price has been very volatile over the past year, declining 4% during that time, and it is now within a dollar of its 52-week low.

Although the company showed strong sales growth in its most recent quarter, profits took a hit, and that led to investors pushing the sell button. But with the stock trading at around half of its book value, it could be a good buy, especially if we see oil prices continue to rise. A stronger price of oil could improve Crescent Point's margins, and that could give the stock a lot more upside.

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Author

djagielski

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