2 Perfect Stocks That You Should Buy or Sell While You Still Can

Description

The market is full of incredible investment opportunities. From long-term dividend investments that will provide a comfortable retirement for years to come, to the bank that is defying all odds and becoming an incredible growth machine with each passing quarter, finding the perfect mix of investments takes time.

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But what about the stocks with a less-than-stellar quarter or two? Should you sell to minimize your losses or buy at the current low and dollar-average down?

The answer to that varies based on the investment, so let's take a look at two stocks that recently had very disappointing results.

Corus Entertainment Inc. (TSX:CJR.B) is a name that has been mentioned often in the past few weeks, particularly as the company's dismal results from the most recent quarter resulted in a sell-off on the stock, which was accelerated as the company announced it was slashing its dividend by 80%. Ouch.

Corus' stock price has so far dropped over 65% this year, which begs the question, should investors consider investing in Corus?

That drop was primarily attributed to disappointing losses and the company slashing its dividend, neither of which is likely to occur again.

In the case of Corus' results, the net loss of $4.49 per share in the most recent quarter was significant, but the company's stated intent to use technology in serving relevant ads sounds like a promising solution to a long-standing problem at the company.

To put it another way, the stock may have bottomed out, and given the deep cut to its dividend, the company should be in a stronger financial position to pay down debt and become profitable.

Alternatively, if the ongoing NAFTA negotiations result in opening up Canada's media market further to foreign investment, one of the U.S. networks could jump over the opportunity to buy into Corus at a heavily discounted rate.

Either way, Corus could be a value-stock opportunity in waiting, assuming that we truly are at the bottom.

Home Capital Group (TSX:HCG) is another stock on the low that's full of potential. Year-to-date the stock has dropped nearly 10%, which is really quite generous considering the two-year drop on the stock weighs in at over 45%.

After a mortgage underwriting scandal nearly bankrupted the company last year, progress on improving company financials has been slow but steady. As of the second fiscal of 2018, deposits amounted to $12.5 billion, representing a 3% uptick over the previous quarter.

Mortgage values saw a similarly minor uptick in the quarter of 2%, but some of that anemic growth could be attributed to the white-hot real estate market finally beginning to cool down.

Home Capital has come a long way since Warren Buffet extended a $2 billion lifeline to the company, and could very well emerge as a viable value-investment option for growth-seeking investors.

CATEGORY

1. Investing

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TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:HCG (Home Capital Group)

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