

After a Nasty October Sell-Off, Here Are 3 of the Best Bargains to Pounce on Today

Description

If you're looking to gems amidst [last week's chaos](#), you've come to the right place!

The recent bout of volatility has brought forth what I believe is a temporary bout of market inefficiency, so if you can get ahold of some overly discounted names, you could find yourself enjoying a relative margin of safety to go with a potential upside correction over the short-term.

Without further ado, here are three of the best timely buys that investors may want to pounce on before they correct to the upside:

Shaw Communications ([TSX:SJR.B](#))([NYSE:SJR](#))

Here's a defensive dividend stock that keeps getting cheaper.

The stock is now down 23% from its all-time high, and while higher interest rates are a headwind for Shaw, I believe the general public is heavily discounting both the abilities of management and the once-in-a-lifetime opportunity to steal meaningful market share from incumbents operating in an oligopoly market. Moreover, this oligopoly's high barriers to entry stand to be lowered courtesy of the federal government.

Today, Shaw has a juicy 4.9% dividend yield, and although telecoms aren't ideal holds in this stage of the market cycle, they will be wonderful holdings in the next phase: contraction. And from a longer-term (5-10 years out) perspective, Shaw realistically could become a major player in Canada's wireless scene, as all telecoms are given a fresh slate when it comes to rolling out 5G infrastructure.

Park Lawn ([TSX:PLC](#))

This recession-proof name should be rallying if investors fear a Fed-induced recession or a rotation from high-growth to high-value. Park Lawn is a provider of death care goods and services that's riding a vast multi-decade secular tailwind in the form of aging Baby Boomers. Although the company is growing at a fast pace, the death industry will stand to be minimally impacted by an economic downturn, and I think that deserves a hefty premium given the company's attractive defensive characteristics.

Although the average revenue per user (ARPU) may go down in a recession, the flow of business will be consistent (with a skew toward lower-cost cremations over pricier full-service packages).

Moreover, given the stable operating cash flows to be expected in such an environment, Park Lawn will see very little disturbance to its day-to-day operating activities with its pristine balance sheet and prudent management team.

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#))

CN Rail stock collapsed over 7% from peak-to-trough in the latest sell-off. That's excessive, especially when you consider the fact that the stock was minimally impacted in the crash of 2007-08.

Make no mistake. There are few, if any, economical alternatives to the rails, and even if a recession is looming, CN Rail is usually one of the first ones out of the gate come the first expansionary phase of the next market cycle.

Moreover, CN Rail is a dividend aristocrat that will reward investors with double-digit percentage annual dividend hikes under any market environment. So, if you're looking to obliterate the markets consistently over the long term, it's as simple as buying CN Rail incrementally on any dips. That's what Bill Gates has done throughout many years, and it's what smart Canadian investors should be doing as well!

Foolish takeaway

Shaw, Park Lawn, and CN Rail have been unfairly battered of late. I think [opportunistic value investors](#) ought to scoop up each one of them if they're looking to pull the trigger after the recent bout of volatility.

Stay hungry. Stay Foolish.

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