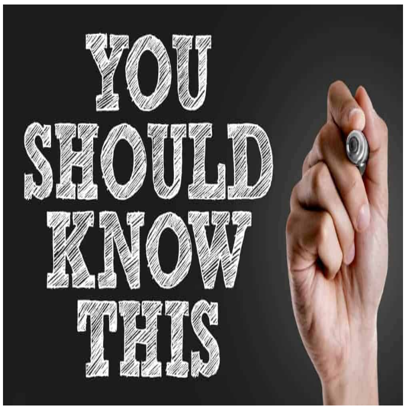

3 Fresh Bargain Stocks to Buy Right Now

Description

Hi there, Fools. I'm back to highlight three stocks that fell sharply last week. Why? Because the greatest gains in the stock market are made by buying solid companies during periods of maximum pessimism; when they're being ignored and forgotten; or when they're selling well below intrinsic value.

As Warren Buffett once said, "Whether we're talking about socks or stocks, I like buying quality merchandise when it is marked down."

So, without further ado, let's get to this week's list of bargain opportunities.

Child's play

Kicking things off is **Spin Master Corp** (TSX:TOY), whose shares fell a whopping 14% last week. Year to date, the toy company is now off 25% versus a loss of 12% for the **S&P/TSX Capped Consumer Discretionary Index**.

Bay Street is concerned about Spin Master's slowing growth. Revenue increased just 2.3% to US$620 million in Q3. To make matters even more bearish, management now expects full-year gross product sales growth in the mid-single digits, down from its outlook in August of mid- to high-single digit growth.

On the bright side, Spin Master's free cash flow and margins improved slightly, suggesting that the company's competitive position and cost structure remain solid. With a forward P/E in the low-20s, the stock's risk/reward trade-off is enticing.

Tech-crunched

Next up, we have **Shopify** (TSX:SHOP)(NYSE:SHOP), which declined 10% last week. Shares of the cloud-based ecommerce technologist are up 40% year to date versus a gain of 13% for the **S&P/TSX Capped Information Technology Index**.

The recent tech sell-off hit Shopify particularly hard. But there was no company-specific bad news driving down the stock, providing value hounds with a possible bargain opportunity.

Revenue spiked 58% to $270 million in Shopify's recent Q3, driven by a 46% jump in subscription revenue and a 68% increase in merchant solutions revenue. Management also expects strong top-line growth for Q4.

With the stock now off about 25% from its 52-week highs, it might be an opportune time to buy into Shopify's operating strength.

Husky opportunity

Rounding out our list of decliners is **Husky Energy** (TSX:HSE), whose shares fell 12% last week. The oil and gas major is down 14% year to date versus a loss of 22% for the **S&P/TSX Capped Energy Index**.

Husky has been getting hammered in the recent oil rout. But with a forward P/E now in the single digits, along with a decent yield of 2.6%, the stock looks like a cheap way to gain some energy exposure.

In the most recent quarter, earnings spiked a massive 300%, while funds from operations — a key cash flow figure — increased 48% to $1.3 billion.

As long as you're able to stomach the stock's beta of 2.0, Husky seems like a solid bet.

The bottom line

There you have it, Fools: three beaten-down stocks worth checking out.

As always, don't view them as formal recommendations. They're simply ideas for further research. Getting caught in value traps is a very easy thing to do, so plenty of due diligence is necessary.

Fool on.

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1. Energy Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)
3. TSX:TOY (Spin Master)

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