3 Brand New Bargain Stocks to Boost Your Wealth Now

Description

Hello again, Fools. I'm back to highlight three stocks that fell sharply last week. As a quick refresher, I do this because the biggest gains are made by buying solid companies during times of maximum bearishness, when they're being ignored by Bay Street, and when they're selling well below intrinsic value.

The **S&P/TSX Composite Index** rallied 1.25% last week, so maybe this list can help you find some overlooked value.

Let's get to it, shall we?

Off a Birchcliff

Kicking things off this week is **Birchcliff Energy** (TSX:BIR), whose shares fell 10% last week. The intermediate oil and gas explorer is now down 29% over the past year versus a loss of 23% for the **S&P/TSX Capped Energy Index**.

The plunge in oil prices — about 22% in November — continues to weigh heavily on the stock, but there's reason to remain optimistic. In Birchcliff's Q3, average production increased 22% from the year-ago period to 79,331 boe/d. Meanwhile, cash flow jumped 17% to $75.4 million.

Looking ahead, management expects significant cash flow in 2019, which could be used to reduce debt, pursue growth, or boost the dividend.

The stock currently boasts a cheapish forward P/E of 8.8, along with a solid yield of 2.8%.

Pot plunge

Next up, we have **Aphria** (TSX:APHA)(NYSE:APHA), which sank 11% last week. Shares of the cannabis producer are now off 38% over just the past three months, while the **S&P/TSX Composite Index** is off 7% in the same time frame.

Pot stocks have plunged sharply ever since legalization in mid-October, but Aphria has been particularly disappointing. In its recent Q1 results, revenue increased only 10.5% from Q4. Furthermore, EBITDA clocked in at negative $4 million, breaking a streak of 11 straight quarters of positive adjusted EBITDA.

On the bullish side, Aphria now sports a price-to-sales ratio of 45 — well below that of pot peers like Canopy Growth and Aurora Cannabis. So if you're ready to jump into the industry, Aphria is a relatively cheap way to do it.

Point of big returns

Rounding out our list this week is **Crescent Point Energy** (TSX:CPG)(NYSE:CPG), whose shares fell 10% last week. The oil and gas operator is now down a whopping 61% over the past six months versus a loss of 26% for the **S&P/TSX Capped Energy Index.**

Just like Birchcliff, slumping oil prices have wreaked havoc with Crescent Point shares. Of course, if you're willing to take on some uncertainty, the stock's super-fat dividend yield of 9.1% is intriguing.

In Q3, production averaged 174.275 boe/d, nicely ahead of forecasts. Furthermore, funds from operations — a key cash flow metric — came in at a solid $474.7 million.

Crescent Point still has several risks surrounding it, including a big debt load and its exposure to volatile oil prices. But with the stock at all-time lows, value-hounds should definitely sniff around.

The bottom line

There you have it, Fools: three recently battered stocks worth checking out.

As always, don't consider them formal recommendations. Instead, view them as a good starting point for further research. Slumping stocks can keep falling for a prolonged period of time, so extra due diligence is required.

Fool on.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:VRN (Veren)
2. TSX:BIR (Birchcliff Energy Ltd.)
3. TSX:VRN (Veren Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date
2025/08/28
Date Created
2018/12/03
Author
bpacampara