3 Stocks That Have Huge Upside in 2019

Description

A new year is on the horizon, and there are many good buys out there. Stocks have taken a beating and, with their reduced prices, could be poised for some big recoveries next year. The three stocks below are all down more than 25% this year and could be great buys today.

Dollarama (TSX:DOL) is down around 40% since the start of the year. The dollar store stock was flying high last year with strong growth figures and investors being very bullish about its future. However, things have changed a lot in just a year, and things have turned very bearish as recent results have had investors questioning whether its best days are behind it.

The company still has many opportunities to grow across the country, and it wouldn't be unreasonable to expect sales to improve under tighter, more challenging economic conditions. All it takes is some changes to its product offerings or some tweaking, and I believe Dollarama could bounce back with a stronger year. Discount retailers still have a lot of appeal with consumers, and with the company consistently posting a strong profit, it doesn't present a lot of risk today.

Over the past five years, Dollarama's stock has more than doubled; 2018 could simply prove to be an off year.

Stars Group (TSX:TSGI)(NASDAQ:TSG) has declined more than 28%, and it's a bit surprising that the stock has struggled as much as it has this year. Although the company did have a bad quarter earlier this year that scared investors off, there are a lot of positives for Stars Group looking forward.

The company has been making key acquisitions to grow its business and strategically trying to make itself more than just a company that relies on poker to grow. And with the U.S. opening the doors to online sports betting, there will be even more potential for Stars Group as individual states decide whether to legalize it or not.

Stars Group has a strong presence in many parts of the world, but the U.S. is one market that still has been limited due to legal issues, and so there could still be a lot of upside there.

Spin Master (TSX:TOY) has slide more than 30% in just the past three months, as in its last quarter the company shown minimal growth. Over the years, however, the company has done a terrific job of growing its brands around the world. Sales this past year have been negatively impacted by the issues surrounding Toys “R” Us south of the border, and as the retail industry there begins to stabilize, that should help put the company back on the right track.

Spin Master itself has strong growth prospects and is a good candidate to recover in 2019, as its Paw Patrol brand shows no signs of slowing down. As a result of the sell-off, the stock has become a good value buy as it is trading at just 17 times its earnings, which is a very low multiple for a stock with the amount of potential that the popular toy company has.

CATEGORY

1. Investing

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1. Editor's Choice

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2. TSX:TOY (Spin Master)

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Author
djagielski