3 Oversold Stocks to Buy Right Now

Description

Over the last few weeks, there's been a lot of selling in the markets. Before stocks rebound, it might be a good time to buy on the dip. Below are three stocks that could be bargain buys today.

Canada Goose Holdings (TSX:GOOS)(NYSE:GOOS) has seen its share price crash by 35% in just the past month and finished last week at just over $57 a share. You have to go back to June for the last time the stock closed that low.

A strong earnings report in November launched the stock to over $90, and things looked to be going very well until the company faced a boycott from China in response to a controversy that involved Huawei's CFO being arrested in Canada. Those developments, along with investors selling overpriced stocks, have been the catalysts behind Canada Goose's stock falling heavily in recent weeks.

The sell-off has been so significant that it has pushed the stock's Relative Strength Index (RSI) to below 29. RSI levels look at a stock's recent price movement, and once it falls below 30 the stock is considered to be oversold and could be due for a recovery. Canada Goose has only briefly fallen below this threshold once in the past year, only to rebound in a big way.

However, there's no guarantee we'll see that happen again.

Telus (TSX:T)(NYSE:TU) is another stock that recently dipped below an RSI of 30, as last week it closed at just under 25. However, Telus stock has declined less than 6% in the past month, and although it pales in comparison to Canada Goose's dive, it's unusual for what's typically been a very stable stock.

Telus is one of the more consistent stocks that you can find on the TSX, and so if there's a dip in price, it could be a great time opportunity to buy. Not only do you get a chance to benefit from an inevitable bounce back in price, but you can lock in a higher dividend yield as well.

At a price-to-earnings (P/E) ratio of 18, Telus is a good value buy, considering it's an industry leader that's been able to show steady growth over the years.

Canadian Pacific Railway (TSX:CP)(NYSE:CP) is up around 2% since the start of the year, but in the past month the stock has lost more than 13% of its value. The railway operator was having a good year until this recent decline, and in its most recent quarter it had sales growth of 19%.

CP Rail has been benefiting from a strong economy, and as long as that continues, we should expect the company to have a good year in 2019 as well. At a P/E ratio of 14, it could offer even more value than Telus. Its RSI recently fell under 29, as it too has seen a lot more selling than usual.

While CP's stock isn't near its 52-week low, the last time the stock was trading at levels lower than this was back in May. It gives investors a great opportunity to push the reset button and buy the stock on a big dip.

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