2 Stocks That Have Dropped Over 15% This Year and Are Now Buys

Description

We really aren't out of the woods yet from the horrible end of 2018 that saw stocks across the board drop like a stone.

In times like this, it can be really hard to investors to start trusting top stocks again. While prices have increased for blue-chip stocks, such as the Big Six banks, and popular stocks, like the cannabis industry, when it comes to the less exciting, it can be scary wondering if now is really the best time.

For these two stocks, I'd say it doesn't get much better.

I mean, granted, both have had a fair share of bad news, but if you're like many of our Fool readers, you're not looking for day-trading information. You're looking for long-term investments that can help your TFSA or RRSP.

With that in mind, let's take a look at why **Cineplex** (TSX:CGX) and **Sierra Wireless** (TSX:SW)(NASDAQ:SWIR) are two great options to consider adding to your portfolio.

Cineplex

This movie giant hasn't just had a bad year to date; it's had a bad couple of years. Cineplex is in the midst of a transition, trying to prove that it's more than just a movie theatre now. I'm sure you've seen it during your most recent yearly visit to the theatre. You can see the opera, an NFL game, have dinner and a movie — heck, you can even become part of an e-gaming tournament.

Yet this stock's share price has just gone down further and further, plummeting 7.5% in mid-February and 15% from its highest point year to date until the time of writing this article.

It’s a lengthy uphill battle, but one Cineplex is slowly proving it can handle. Fellow Fool writer Karen Thomas recently pointed out this upward trend: “the ‘other revenue’ segment representing a full 25% of total revenue in the first nine months of 2018, [and] the amusement category revenues increasing11%.”

Then, of course, there’s the incredibly high dividend yield of 7% at the time of writing, supported by an abundant cash flow that isn’t going anywhere any time soon.

So, once these diversification efforts really start hitting second gear, investors should start flocking back to this entertainment company. That’s why now is the time to get in and enjoy a sweet dividend while you watch your stock rise.

Sierra Wireless

A lot is expected of tech giant Sierra Wireless. The company pretty much leads the charge with introducing the new 5G network to the world, and providing the capability to connect basically anything to the internet. So, why did it fall almost 20% in mid-February?

The answer shouldn’t be a surprise. Underwhelming quarterly results sent the stock plummeting, but some say it was an unfair drop. Revenue was up 9.7% year over year to $201.4 million, which, while still within Sierra’s financial guidance between $200 and $208 million, was on the low end.

No, it really wasn’t the quarterly results that did Sierra in, but rather the foreboding warning from the company’s CEO Kent Thexton who predicted the first quarterly results of 2019 to be between $170 and $174 million due to “some weakness … in the automotive, enterprise networking and mobile computing markets.”

All this can be concerning to investors, but again, those are investors looking to buy and trade on a regular basis. If you’re looking to get in with a stable company that generates solid cash flow, then Sierra is a great choice at this point. The company knows how to rein in costs during a turbulent time, has a strong balance sheet to see it through it, and is at the front end of producing some pretty exciting advancements in technology.

Right now, the stock is near its lowest point, so I would recommend buying it now and holding on tight for several years to come.

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TICKERS GLOBAL

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2. TSX:CGX (Cineplex Inc.)
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Author
alegatewolfe