TFSA Investors: Spike Your April Profits With These 3 Panic-Stricken Stocks

Description

Hello, Fools. I'm back to highlight three stocks that fell sharply last week.

Why?

Because the greatest stock market wealth is built by buying solid companies during times of severe panic when they're being ignored by Bay Street — and when they're available at dirt-cheap prices.

In other words, contrarian value stocks still provide the most attractive risk/reward tradeoff in the market. And if you purchase them within a TFSA account — where all the profits are tax free — the upside is even greater.

Without further ado, let's get to it.

Losing trust

Leading off our list is cannabis products specialist **CannTrust Holdings** (TSX:TRST)(NYSE:CTST), whose shares plunged 20% last week.

The crash was triggered by disappointing Q4 results: a net loss of $25.5 million on revenue of just $16.2 million. Analysts were expecting a loss of $6.4 million and revenue of $21.2 million.

Low selling prices, combined with high operating expenses, placed heavy pressure on margins during the quarter. That said, management remains optimistic about the long term.

"We expect the trajectory of revenue growth to continue in 2019 as we bring additional capacity online through our Phase 2 expansion, realize the potential of investments we have made into training and crop yield optimization, implement targeted price increases and distribute our products to more and more consumers," said CEO Peter Aceto.

Even with last week's crash, CannTrust shares remain up 58% in 2019.

Jump in the lake

With a near-11% drop last week, **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is next up on our list of losers.

Kirkland didn't post any specific news last week, so it's safe to assume that the slide in gold prices was the culprit. A strong greenback continued to put pressure on the yellow metal, which just had its worst month since August of last year.

On the bright side, Kirkland's operations remain healthy. In 2018, production increased 21% to 723,701 ounces while operating cash cost per ounce sold decreased 25%.

"2018 was a year when Kirkland Lake Gold clearly established itself as one of the most profitable companies in our industry, driven by strong production growth and very low unit operating costs," said President and CEO Tony Makuch.

Kirkland shares are still up 14% so far in 2019.

Sleeping beauty

Rounding out our list is beauty products company **MAV Beauty Brands** (TSX:MAV), which plunged 15% last week.

Sparking the loss were disappointing quarterly results on Thursday. While Q4 adjusted revenue managed to increase 42% to $29 million, adjusted EBITDA and adjusted net income fell 14% and 22%, respectively. Looking ahead, management sees full-year 2019 revenue of $115 million-$120 million and adjusted EBITDA of $34 million-$37 million.

"It was a transformative year for MAV Beauty Brands, we acquired and integrated two on-trend, high-growth brands and we completed an initial public offering on our path to building a global personal care company," said President and CEO Marc Anthony Venere.

MAV Beauty shares are now off 43% over the past six months and trade at a forward P/E of 13.

The bottom line

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

As always, they aren't formal recommendations. Instead, view them as a starting point for more research. It's very easy to cut yourself on a "falling knife," so plenty of due diligence is still required.

Fool on.

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