



## Forget Canopy Growth Corp. (TSX:WEED): These 2 Stocks Have a Higher Chance of Doubling!

### Description

[Canopy Growth \(TSX:WEED\)](#) has been on a heck of a run, but now that supply and demand in the marijuana market are inching closer to equilibrium levels, I think the get-rich opportunity has run dry with the name.

Seeing as the federal government is waving the finger at product differentiation efforts, it appears that marijuana will be nothing more than a commodity over the near future. And while commodity producers can make investors big bucks, I'd say that the chances are low seeing as pot prices are poised to retreat to normalized levels.

With shares of Canopy trading at a ridiculous 86 times sales, I'd say that the risk-reward is incredibly unfavourable for those seeking a quick gain.

Believe it or not, there are TSX-traded stocks out there with better odds of doubling up minus the tremendous downside risk that's implied with an investment in a marijuana stock like Canopy. So, without further ado, consider the following three names if you're looking for the best way to double up [without risking your shirt](#).

### Corus Entertainment ([TSX:CJR.B](#))

The trend of cord-cutting has caused Corus to endure a massive fall from grace. With shares now down over 77% from all-time highs reached back in 2013, the stock is only starting to make up ground after hitting an all-time low at \$4 and change.

By recommending Corus, I'm not calling an end or a slowdown to the cord cutting. I believe current valuations suggest that the trend will continue until Corus goes belly up. While cash flows are slated to decay further as folks gravitate toward the streamers, the stock has fallen so much that there's room for a significant upside correction.

At a certain price, every stock becomes a buy — even the worst of stocks that everybody on the Street

has left for dead. With Corus now beginning to pick up momentum, there's room for deep-value investors to make a quick profit. Be warned though: bottom-fishers in the perennial falling knife have gotten burned with a further over 70% plunge just a few years ago, so don't bet the farm on a reversal.

Despite the catastrophic implosion to shares, the company still generates ample amounts of free cash flow. Although there's a considerable amount of debt on the balance sheet, the company is by no means a bankruptcy waiting to happen as the collapse in shares would suggest.

At the time of writing, the stock trades at a 7.8 forward P/E, a 0.8 P/B, and a 0.8 P/S. That's dirt cheap, so if you're looking to double up in a year, I'd say Corus has a pretty good shot on a bounce.

## Spin Master ([TSX:TOY](#))

Shares of Spin Master have been unfairly battered, plain and simple. The mid-cap toy company is widely misunderstood and with the Toys "R" Us hangover still fresh in the minds of investors, the stock continues to tread water despite the promising catalysts that could send the stock up double digits over the short-term.

Now that the bar has been lowered, Spin Master has a chance to blow away the results as it gears up for the next leg of its international expansion. Over the past three years, the company has grown its revenue and EPS at annualized rates of 22.9% and 46.5%, respectively.

The relatively small company is growing ridiculously fast, and industry pressures have caused the stock to fall to just 1.8 times sales and 16.9 times next year's expected earnings. For a company that's growing at a high double-digit rate, the current valuation makes no sense, so investors would be wise to pick up shares today before they correct upwards.

## Foolish takeaway

Forget about paying 86 sales for a company that's not making a profit. There are severely undervalued companies out there that are about to explode to higher levels for a fraction of the price. If you consider yourself an aggressive investor and not a gambler, either Corus or Spin Master make for terrific bets over Canopy or any speculative pot stock.

Stay hungry. Stay Foolish.

### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:TOY (Spin Master)
3. TSX:WEED (Canopy Growth)

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