Buy This Dividend Stock in May Then Go Away!

Description

Now that the TSX index is within a few percentage points its all-time high, the job of value investors appears to have gotten that much tougher. After the TSX popped nearly 20% from its December lows, it certainly feels as though the best bargains have been evaporating right in front of our eyes.

In a way, many value-conscious Canadians who haven't yet bought on last year's October-December dip are feeling as though they showed up to a Boxing Day blowout hours after the morning stampede snatched up all the door-crasher deals.

While it's tough for the value savvy to justify buying stocks after such a big run in the markets, there are still plenty of cheap TSX stocks out there that haven't fully participated in the market's return to the top. If you're willing to do a bit of digging, you can still find plenty of out-of-favour value investments that are either out of the radar of Main Street or are being overly punished on recent results by impatient traders.

So, forget about the "sell in May and go away" strategy, because there's still an opportunity to make big money if you're ready and willing to go against the grain. Consider buying the following deep-value dividend stock then go away, as you adopt Charlie Munger's sit-on-your-bum approach to investing.

Enter **Corus Entertainment** (TSX:CJR.B), a deep-value play that's not for the faint of heart. The stock suffered a massive fall from grace, tumbling over 85% from peak to trough, as the company got caught on the wrong side of the powerful cord-cutting trend.

More recently, the stock has begun to pick up traction, rallying from $3 and change to $8, where it stands at the time of writing. In the past, I've been incredibly bearish on Corus, despite its seemingly sound financials that weren't indicative of a company that was on its way out.

Given how far the stock had fallen at the time, I urged investors to buy the stock on its way up, rather than attempt to catch the name while it was in falling-knife mode.

In early April, when Corus stock had formed what I thought was a technical bottom, I changed my tune on the stock, encouraging investors to jump in at 0.8 times book for Corus's decent cash flow stream while noting that the beaten-up stock was a great way to double your money without having to risk your shirt.

While Corus may be seen a shell of its former self, I think the shell is worth a heck of a lot more than $8 with its mere 1.1 P/B and 1.0 P/S. Given that Corus is positioning itself to produce more premium content and the fact that the "fragmentation of content streaming platforms" could make consumers less deterred by cable subscriptions, I thought a Corus rebound was becoming increasingly plausible.

Corus's dividend got slashed big time, but it's for the better, and as the company gradually gets out of the gutter, I wouldn't at all be surprised to see a colossal dividend hike in a few years.

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