3 Oversold Stocks That Could Be Bargains Buys Today!

Description

The markets have been in the red for consecutive days and the bearish activity has put several stocks into oversold territory. Below are three stocks that have seen excessive sell-offs lately that investors might want to pick up at reduced prices today.

Magna International Inc (TSX:MG)(NYSE:MGA) has declined 15% during the past month, and the stock took a nosedive recently after the company released its results for the first quarter. With a drop in sales and an adjustment down in its forecast for the year, investors reacted strongly to the results and sold off a stock that had already been falling.

The stock is near its 52-week low and reached a **Relative Strength Index** (RSI) of under 21 recently. RSI, which looks at a stock's gains and losses over the past 14 trading days, helps alert investors when there's been excessive buying or selling. Once the RSI dips below 30, it indicates that a stock has been oversold and suggests that a recovery could be around the corner.

Magna has generally seen strong support at around $60 for much of the year, and while investors may not have been happy with its recent performance, it's still a stock that has a lot of potential, and it's a fairly cheap buy trading at just seven times earnings and only 1.3 times book value.

Inter Pipeline Ltd (TSX:IPL) has seen more of a steady decline over the past month, falling around 7% during that period. Although the company didn't have an impressive quarterly recently, it didn't see as big of a sell-off as Magna did. Nonetheless, the stock is also well into oversold territory at an RSI of 24. The last time Inter Pipeline was oversold was back in December, when it was trading below $20 per share and would go onto climb back to over $22.

The stock is another good value buy as it trades at very decent multiples. With a price-to-earnings ratio of 14 and a price-to-book ratio of 2.1, investors aren't going to be paying a premium to own a solid dividend stock that's currently paying a very high 8.2% yield. With potentially stronger prospects for the oil and gas industry, it might be a great time to buy Inter Pipeline before the stock takes off.

Cameco Corp (TSX:CCO)(NYSE:CCJ) is also coming off an uninspiring quarter that saw the company post its second loss in the past year. With sales down from the previous year as well, Cameco continues to show a lot of volatility. However, uranium prices have been much stronger than they've been over the past two years, and so there's still hope for Cameco to produce stronger results in future periods.

The stock is trading a little more than book value, falling 13% during the past month. It too has fallen below an RSI of 30 and as of Monday's close was at 25. Prior to May, the last time Cameco was oversold was back in September, when it had dipped to around $12 a share.

Despite challenging commodity prices, Cameco has done a good job of producing decent results. Although the stock may be down now, there's hope that better times may be ahead given that the industry is showing some signs of life.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:MGA (Magna International Inc.)
3. TSX:CCO (Cameco Corporation)
4. TSX:MG (Magna International Inc.)

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