



3 Stocks That Are Having a Fire Sale

Description

The stock market is generally unpredictable, yet it continues to attract investors. Outsmarting the market is the name of the game that various investment strategies are used. If you succeed in beating the odds or buck the trend, the rewards could be huge. But since share prices change daily, you need to search for winning trades.

A top-performing stock today may be the worst performer tomorrow. Even share prices of companies with strong fundamentals slide. When prices drop, windows of opportunity open, and you can seize the moment. Look for stocks that have dropped but have retained good value.

Toromont Industries Ltd. ([TSX:TIH](#)), **Canadian Western Bank** ([TSX:CWB](#)), and **Transcontinental Inc.** ([TSX:TCL.A](#)) are in that scenario. Their recent fall only made them enticing investment options. The stocks are poised for a turnaround and could be among the best performers the rest of the year.

Dividend aristocrat on sale

Transcontinental is the favourite of investors focused on fattening their TFSA accounts. The company is a [dividend aristocrat](#), paying 5.5% dividends. At the current price of \$14.94, the stock is practically trading at a bargain. Despite being down -48.45% a year ago and -21.57% year-to-date, you're in for huge gains in the months ahead.

The company is in the packaging, printing, and media business with operations in Canada, the U.S., U.K., Australia, New Zealand, and Latin America. Revenue and earnings from the three business segments have vastly improved in the last two years.

Analysts' sentiments are changing. A buying trend is developing as the price is projected to rise by +107.5% to \$31.00. The low dividend payout ratio of 39.07% indicates that the company's ability to sustain paying high dividends or increase it further.

Two other dividend aristocrats on sale

The price of Canadian Western Bank as of this writing is lower by 14.04% from a year ago. However, the stock is slowly making its way up and has surpassed its 200-day moving average. At \$29.63, CWB has recovered from the squeeze. The bullish sentiment is back too. The price could potentially improve by over 21.5% moving forward.

This \$2.6 billion regional bank has 27 years of dividend growth. The current yield is 3.5%, which is sustainable as the payout ratio is only 35.8%. You can't count out this [alternative lender](#) that has consistently shown a solid performance. CWB is dirt cheap in relation to its real or intrinsic value.

Toromont Industries is practically on the same boat as Canadian Western Bank. TIH is up over 2.85% from last year and has risen by only +10.34% so far in 2019. You can ignore the not-so-good performance and focus on the demand for heavy equipment.

This Caterpillar dealer is assured of steady income stream in the years ahead. In addition, the company has 29 years of dividend growth and the current dividend yield is 1.6%. The payout ratio of 29.97% is the lowest among the three stocks in focus.

Better days are ahead for the three companies. Investors shouldn't take that long to firm up buying decisions.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CWB (Canadian Western Bank)
2. TSX:TCL.A (Transcontinental Inc.)
3. TSX:TIH (Toromont Industries Ltd.)

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