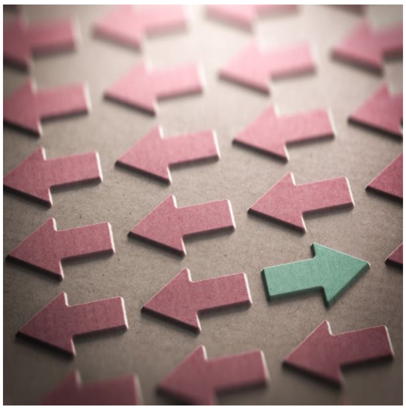

Earn a Profit of $3,186 With These 3 Hated Stocks (in Just an Average-Sized TFSA)

Description

Hi there, Fools. I'm back to call attention to three stocks that dropped sharply last week. Why? Because the biggest market riches are made by buying quality companies

- during times of maximum investor panic;
- when they're being downgraded by analysts; or
- when they're selling at a big discount to intrinsic value.

The trio of stocks below declined an average of 11.8% last week. So, if they were to simply bounce back to pre-drop levels, in an average $27K TFSA account, that would translate into a quick profit of about $3,186.

Let's get to it.

Exit stage left

Leading off our list is media company **Corus Entertainment** (TSX:CJR.B), whose shares plunged 16% last week.

The sell-off was triggered after major shareholder **Shaw Communications** filed an offer of 80.6 million shares, essentially cutting its entire stake in Corus. The move is part of Shaw's long-term objective to shed media assets and concentrate on its higher-growth wireless segment.

Shaw is selling its interest to a consortium of underwriters led by TD Securities for $6.80 per share — a discount of about 15% from where Corus was trading.

"Our business operations remain unchanged as a result of this transaction, and we look forward to continuing to execute our strategy as we evolve and grow our business to create value for all of our stakeholders," said Shaw CEO Doug Murphy.

Corus shares remain up 39% in 2019.

Timber tantrum

With a 12.4% decline last week, forest products company **Canfor** (TSX:CFP) is next up on our list of losers.

Canfor reported disappointing Q1 results earlier this month, and the stock has been trending downward ever since. During the quarter, management reported a sales decline of 6.8% and an operating loss of $70 million, reinforcing concerns over declining housing starts here in Canada.

On the bright side, management remains confident in the company's growth prospects south of the border.

"While our BC-based lumber business experienced significant challenges due to lower-than-anticipated market prices and difficult operating conditions, our U.S. South and European operations generated solid financial returns," said President and CEO Don Kayne.

Canfor shares are down 38% so far in 2019.

MEG-a fall

Rounding out our list is oil and gas producer **MEG Energy** (TSX:MEG), whose shares sank 7% last week.

MEG's drop came despite posting better-than-expected Q1 results. During the quarter, MEG's revenue increased to $919 million, EPS improved to a loss of just $0.16, and adjusted funds flow clocked in at an impressive $151 million.

"Our diversified marketing strategy with growing access to world-priced markets, along with disciplined cost management and low levels of sustaining capital, supports material free cash flow generation going forward," said President and CEO Derek Evans.

With that said, Bay Street analysts were likely disappointed with MEG's production of 87,100 barrels per day — a decline of 7% over the year-ago period — reflecting continued mandated curtailments.

MEG shares are now off 33% in 2019.

The bottom line

There you have it, Fools: three contrarian stocks worth checking out.

As always, don't see them as formal recommendations. Instead, view them as a starting point for more research. Trying to catch a falling knife can be hazardous to your wealth, so plenty of homework is still required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CFP (Canfor Corporation)
2. TSX:CJR.B (Corus Entertainment Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
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Category

1. Investing

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