2 Stocks to Buy on a Dip

Description

With the market finally reaching semblance of stability in the last few months, it's becoming harder and harder for investors to find opportunities to invest while stocks are low.

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But there are a few top stocks out there that remain undervalued, despite the increase in the overall market. Today we'll be looking at why **Maxar Technologies** (TSX:MAXR)(NYSE:MAXR) and **Transcontinental Inc. Class A** (TSX:TCL.A) would be a great option to add to your TFSA or RRSP portfolio while shares prices are still low.

Maxar Technologies

Maxar has been steadily falling since 2015, from highs of almost $100 per share to where it is now at the time of writing at $9.53 per share. The space-tech company has had a hard time convincing investors to trust in its balance sheet again.

Most recently, the company reported revenue of $504 million, down from $508 million in the quarter before that, an operating loss of $4 million, a net loss after taxes of $58 million, and a diluted EPS loss of $0.99. So overall, the balance sheet could still use some major work.

But recently there is some hope that the company could come into quite a bit of money to help with this. The stock jumped almost 28% after news that NASA would be using the company's solar electric propulsion system for its planned lunar mobile command and service module. The project could see as much as $375 million come into the pockets of Maxar.

Of course, the company has a long way to go to beat down its debt of $3.3 billion, with no free cash flow to hand, but it's definitely a start. While this project is set to soar in 2022, that's only step one toward a human mission to Mars.

So if you're in for the long haul, this company's share price really has nowhere to go but up, which makes it an ideal buying opportunity ahead of a major space mission. If prices reach their levels of five years ago, a $5,000 investment today could be worth $51,150 in the next five years.

Transcontinental

Granted, Maxar is a bit of a risky bet at the point, so if you're looking for something a bit more stable, I would definitely recommend Transcontinental.

The company's most recent quarterly results were promising, improving after a major organizational restructure that continues today. Transcontinental sold non-core media assets, replaced them with acquisitions, and has been focused on shipping that would complement the company's print business.

The quarter results came in at $751.6 million in total revenue, operating income of $53.6 million, net income of $28 million and diluted EPS of $0.32. As numbers improve, so too do analysts' estimates, currently giving the company a share price of $22 to $32 per share in the next 12 months.

Given that the stock trades at the time of writing at $14.41, that's quite the increase in a short time! That means an investment of $5,000 today could turn into $11,103 in just one year. Never mind the dividend — you'll be collecting at a juicy 5.47%. All this makes Transcontinental an amazing buy today, and frankly slightly edges out Maxar as my choice between the two.

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