



## 3 Contrarian Buys That Could Have Significant Upside

### Description

Making a bet on stocks that are doing well is the safe and easy option, but it might not yield you much in the way of returns. Investing against the grain in stocks that might be a bit risky, however, could result in much greater payouts for investors. Below are three stocks that could produce strong returns if they're able to prove the markets wrong.

**Bombardier** ([TSX:BBD.B](#)) is a stock that is an intriguing buy if only because the share price has fallen so low. At around \$2, there's a significant opportunity for investors to earn a good return here. The concern is that the company has been riddled with [problems](#) in recent years, and so investing in a brand that may be a little damaged is always risky.

However, with Bombardier, all it takes is the company getting one big contract or one positive development that could send the stock up significantly. It's not hard to imagine the stock rising 10% or 20% from where it is today, and that's where Bombardier could be an appealing buy. As bad as it may have performed in the past, it's still a big company that has lots of potential if it can clean up its act.

It's a stock that I'd definitely keep a close eye on, and the more it drops in value, the more attractive an option it becomes.

**Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) just [doubled down](#) on the oil sands, which have been nothing but problematic over the past several years. With pipelines getting stalled in both Canada and the U.S., there have been no shortage of issues that have gotten in the industry's way.

While Canadian Natural Resources is a solid company that has performed well over the years and continues producing strong cash flow, investors have kept their distance from the stock and the industry as a whole. Investing in this stock is effectively betting that the oil sands will recover, which could certainly happen, especially if the Conservatives return to power in the next federal election, which would likely give the industry much more support.

Canadian Natural Resources is facing many challenges today, but the good news is that at least commodity prices appear to have stabilized, at least for now.

**SNC-Lavalin Group** (TSX:SNC) might just be the ultimate contrarian buy. The company is facing issue after issue and with SNC heading to court, there's a big cloud of uncertainty hovering over it. This is a stock that is still trading slightly above its book value, and if it continues to decline, it could become an attractive buy.

While the courts might levy a hefty fine against the company, I'd be surprised if it was overly punitive given how many people SNC employs and that it has cleaned up its act over the years. However, the unpredictability over how things will play out over the next couple of years makes SNC a big question mark.

Ultimately, I'd expect that the company will be given a chance to put the scandal behind it and recover. And if that happens, the stock could see a big recovery take place, although it might take years for that to happen.

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1. Investing

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1. Editor's Choice

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