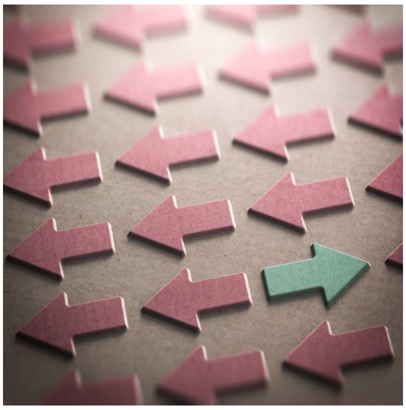

3 Oversold Stocks to Buy Right Now

Description

It can be a bit unnerving to buy stocks that have been falling in value. However, buying at a reduced price can make a significant difference in how your returns will ultimately look. Below are three stocks that have seen a lot of selling lately that could be good buys today.

Cenovus Energy (TSX:CVE)(NYSE:CVE) has declined by 9% in just the past month, as it finished the week just below $11 per share. While it's not approaching its 52-week low, the stock recently fell into oversold territory as per the Relative Strength Index (RSI). RSI as a technical indicator that looks at a stock's recent trading activity and its gains and losses. The more the losses outweigh the gains, the lower the RSI number. Once it falls below 30, it is said to be oversold and could be due for a recovery.

Last week, Cenovus fell to an RSI of 24. Although it recovered on Friday with the share price jumping 3.9%, it's still well off where it was earlier in the month and could still have more of a rally left.

For the past few months, Cenovus has seen support at around $11 a share, so I wouldn't be surprised if it rises further in price this week. Bad news in the oil and gas sector may have spooked investors, causing Cenovus and similar stocks to falter recently.

Canada Goose Holdings (TSX:GOOS)(NYSE:GOOS) dropped into an RSI of below 30, but unlike Cenovus, it has failed to rise just yet. A disappointing earnings result saw a massive sell-off of the stock as it hit a new 52-week low.

Canada Goose is a tricky one. Although the stock has plummeted recently, it's still a bit of an expensive buy, as it trades at a price-to-earnings ratio of 35 and its price-to-book multiple is over 12. Even with a big drop in price, investors are still paying some big premiums to own the stock.

However, the good news is that if Canada Goose can rebound with an improved quarter in its next earnings release, all may be forgotten, and we could see the stock recover back above the $60 mark. As long as Canada Goose can continue producing strong growth numbers, investors will likely continue paying big premiums for it.

Great Canadian Gaming (TSX:GC) is another stock that has dropped sharply in value after releasing quarterly results that were a bit underwhelming. Like Canada Goose, it has been a very strong growth stock on the TSX. However, it trades at much more modest multiples, making it a bit more of an appealing buy today.

In just three months, Great Canadian has lost more than 18% of its value. It went from trading over $50 a share to being in danger of dropping below $40. The stock has been in and out of oversold territory for about a month now, failing to rally and pull itself out of there for good. Last week, it finished at an RSI of just under 30.

The stock is also getting close to its 52-week low, and it may only be a matter of time before investors buy up the stock, recognizing the significant value at its current price point.

CATEGORY

1. Energy Stocks
2. Investing

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2. NYSE:GOOS (Canada Goose)
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