



3 Stocks to Buy for June

Description

It's a bull market, but that doesn't mean there aren't cheap stocks to be found.

Even when markets are frothy, promising businesses are hit hard due to short-term pressures. It's a common occurrence for markets to prioritize near-term performance over long-term success, especially when every stock seems to be moving higher.

Which stocks have stumbled recently despite a bright future? There's risk in buying the following companies, but if you have a multi-year time horizon, you may be getting a steal at today's prices.

Profit from missed expectations

Canada Goose Holdings Inc ([TSX:GOOS](#))([NYSE:GOOS](#)) was a market darling for years, beginning at its IPO in 2017. Over the next 24 months, the stock more than tripled. That all [changed](#) on May 29, the day investors sent the stock 30% lower off weak quarterly earnings.

Historically, Canada Goose traded at 50 to 100 times trailing earnings. After the drop, shares trade at just 35 times earnings. As I estimated a few weeks ago, the stock is now priced at 28 times 2020 earnings. By 2021, they'll likely trade at 23 times earnings.

While growth is slowing, it's still impressive. Management still expects sales and earnings to grow by 20% annually, which makes the depressed stock price a bargain.

Shoot for the stars

Maxar Technologies Inc ([TSX:MAXR](#))([NYSE:MAXR](#)) is the definition of high risk, high reward.

After surpassing \$80 per share in 2015, it seemed the company could do no wrong. The company supplies components to the aerospace industry, which was presented to investors as a multi-decade investment opportunity. Companies like SpaceX were proving that space was the final frontier, and

dozens of copycats were spending billions to join the race.

Maxar did have some one-off issues with a few deliveries—which is to be expected amid such a volatile application—but the real problems arose after management was accused of cooking the books. Short-sellers were calling for 100% downside, and the stock slid by more than 80%.

With a debt load ten times its market cap, there's real insolvency risk here. But conditions could improve quickly. Over the last 60 days, the company secured multiple new deals.

The company closed a multi-year deal with the National Reconnaissance Office to assess its imagery capabilities, and agreed to collaborate with NASA on the renewed lunar program. In addition, Maxar signed a satellite imagery contract with HERE Technologies, committed to helping NASA with a satellite project, and closed a deal with DARPA to test its Geospatial Cloud Analytics Hub.

The industry still seems to be confident in Maxar, even if the stock market is skeptical. If the recent good news continues, expect the fundamentals to follow suit.

Stay classic

This stock isn't a troubled story, but it's still a value.

goeasy Ltd ([TSX:GSY](#)) provides small loans in Canada through a few hundred locations. It focuses on customer retention and loyalty, as demonstrated through its 95% satisfaction rate.

Even after a dramatic rise, the company's \$750 million market cap is likely only a fraction of its potential size. With an entrenched brand in Canada, expect goeasy to move south into the U.S. in order to accelerate growth. This could be a \$100 billion market opportunity.

Shares currently trade at less than eight times 2020 earnings. While the market may be ignoring the company due to its small size, you can use this ignorance to your advantage by scooping up shares.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. NYSE:MAXR (Maxar Technologies)
3. TSX:GOOS (Canada Goose)
4. TSX:GSY (goeasy Ltd.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise

4. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Tech Stocks

Date

2025/08/26

Date Created

2019/06/11

Author

rvanzo

default watermark

default watermark