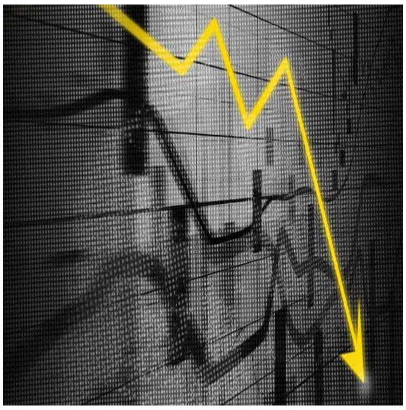

TFSA Traders: Capitalize on These 3 Amazing Stocks Hitting New 2019 Lows

Description

Hey there, Fools. I'm back to call attention to three stocks trading at new 2019 lows. Why? Because the biggest stock market gains are made by buying attractive companies

- during times of extreme market anxiety; and
- when they're available at a clear discount to intrinsic value.

As legendary value investor Warren Buffett once quipped, "Whether we're talking about socks or stocks, I like buying quality merchandise when it is marked down." And there's no better place to buy marked down stocks than in a TFSA account, where all of the upside is tax free.

Let's get to it.

Down by the bay

Leading off our list is oil and gas producer **Baytex Energy** (TSX:BTE)(NYSE:BTE), whose shares are down 22% in 2019 and trade near their year-to-date lows of $1.90.

Weak oil prices, Alberta oil curtailments, and balance sheet concerns have weighed heavily on the stock, providing contrarian Fools with a solid opportunity. In the most recent quarter, sales spiked 58%, production improved 2%, and net debt declined $90 million.

Looking ahead, management sees 2019 production of 95,000-97,000 boe/day.

"Our sound operating results, combined with improved pricing in Canada, resulted in a 100% increase in our adjusted funds flow compared to the fourth quarter of 2018," said CEO Ed LaFehr. "We are well positioned to execute our business plan focused on free cash flow generation."

Baytex is down 58% over the past year.

Broken trust

Next up, we have weed producer **CannTrust Holdings** (TSX:TRST)(NYSE:CTST), which is down 24% in 2019 and trades near its year-to-date lows of $3.82 per share.

The stock was hammered 22% yesterday after a recent Health Canada audit of one of its facilities showed non-compliance with certain regulations. Specifically, CannTrust was growing marijuana in five unlicensed rooms from October 2018 to March 2019 while its applications were under review. Health Canada has placed a hold of about 5,200 kg of dried cannabis — harvested in the then-unlicensed rooms — until compliance is confirmed.

“We made errors in judgement, but the lessons we have learned here will serve us well moving forward,” said CEO Peter Aceto.

Given the seemingly temporary nature of this setback, aggressive investors might want to take a look.

Heavy metal

Rounding out our list is steel products company **Russel Metals** (TSX:RUS), whose shares are down 3% in 2019 and trading near their year-to-date lows of about $20.

Tariff-related worries and slowing earnings have weighed on the stock, but now may be an opportune time to pounce. Despite global trade troubles, Russel’s Q1 EPS of $0.55 topped estimates by $0.11, while revenue increased 10.6% to $1.03 billion.

“Our industry experienced an exceptional year in 2018 and, although 2019 will be more challenging, our first quarter is indicative of a solid start compared to previous cycles,” said CEO John Reid. “Our service centers gained market share in the quarter through further growth in our value-added processing strategic initiative.”

Russel shares are down 22% over the past year and currently offer a particularly fat yield of 7.3%.

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

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:BTE (Baytex Energy Corp.)
2. TSX:RUS (Russel Metals)

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Date
2025/06/29
Date Created
2019/07/09
Author
bpacampara