TFSA Investors: 3 New Bargain Stocks That Everyone Hates (But That Can Make You Rich)

Description

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

- during times of severe 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 bargain stocks than in a TFSA account, where all of the upside is tax free.

Let's get to it.

Telus something

Leading off our list is telecom giant **Telus** (TSX:T)(NYSE:TU), which has slipped 3% over the past three months and trades at a 90-day low of around $47.50 per share.

Bay Street analyst Canaccord singled out Telus last week, downgrading the stock to hold and trimming its price target to $50 from $52. In fact, big telecom stocks, in general, have slipped in recent weeks on concerns over tightening margins amid increased competition.

On the bright side, Mr. Market might be providing income investors with an outstanding opportunity. In the most recent quarter, management boosted its dividend 3% while targeting 7-10% annual payout growth for 2020-2022.

Telus currently trades at a reasonable forward P/E of 15 and offers a rather juicy dividend yield of 4.7%.

Bombed quarter

Next up, we have embattled manufacturer **Bombardier** (TSX:BBD.B), whose shares are down 16% over the past three months and trade at a 90-day low of $1.92 per share.

The majority of that 16% walloping comes today in the wake of Bombardier's disappointing Q2 report. The company posted a net loss of $36 million during the quarter and lowered its full-year core earnings forecast. Management now sees 2019 core earnings of $1.2 billion-$1.3 billion versus its prior view of $1.5 billion-$1.65 billion.

The company cited the consolidation of its three existing aerospace units as well as increased costs related to its rail business for the downbeat guidance.

With that said, Bombardier now trades at a forward P/E in the low teens, giving value hounds something to consider.

Cut it out

Capping off our list of losers is engineering firm **SNC-Lavalin Group** (TSX:SNC), which is down a whopping 40% over the past three months and trades at a 90-day low of $20 per share.

The stock has been pummeled on a flood of bad news and uncertainty over the company's future, with the latest hit coming in the form of yet another disappointing quarter. SNC posted a massive $2.1 billion loss in Q2 as revenue declined 10% to $2.3 billion.

More alarming for income investors, management cut its quarterly dividend from $0.10 per share to $0.02, representing a reduction of 80%.

"The decisions I have made, I believe are necessary to set us on a more sustainable path going forward," said Interim CEO Ian Edwards.

SNC trades at a forward P/E of nine.

The bottom line

There you have it, Fools: three ice-cold stocks hitting new 90-day lows.

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.

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1. NYSE:TU (TELUS)
2. TSX:ATRL (SNC-Lavalin Group)
3. TSX:BBD.B (Bombardier)
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