Value Picks: 2 Oversold Stocks to Target Today

Description

In a recent article I discussed two discounted dividend stocks that were worth targeting this month. Today I want to focus on two more value stocks. These are the kind of value picks we hope will balloon the value of our portfolio, not our waistline. Let's look at two stocks that have sent off buy signals over the past week.

Westshore Terminals

Westshore Terminals Investment Corp (TSX:WTE) is a Vancouver-based coal export terminal, the busiest one currently operating in Canada. The push for green energy has made coal an unpopular source of energy, but it continues to be a strong domestic industry. The BP Energy Outlook 2018 projects that China, India, and other industrializing economies in Asia will drive an increase in global energy demand. Coal is expected to power much of this growth into 2040.

Shares of Westshore have dropped 15.9% over the past three months as of early afternoon trading on January 14. The stock struggled in the back half of the 2010s, but it is hard not to like its value right now. Westshore reported 8.3 mt of coal exports in the third quarter, which was 9.2% up from second-quarter volumes and 5.1% higher than Q3 2018 volumes. This represented the second-highest amount over the past five years for Westshore. Coal loading revenues hit a 10-year high of $102.9 million, which was 9.1% higher than the same period in 2018.

The stock plunged into technically oversold territory in trading late last week. It had a relative strength index (RSI) reading of 37 at the time of this writing, putting it just outside of those low levels. Still, the shares possess a favourable price-to-earnings ratio of 8.6 and a price-to-book value of 1.6. There is also something here for income investors, as Westshore pays out a quarterly dividend of $0.16 per share. This represents a 3.7% yield.

Canada Goose

This past weekend I discussed three stocks that had the potential to benefit from the forthcoming U.S.-China trade deal

. **Canada Goose Holdings Inc** (TSX:GOOS)(NYSE:GOOS) was one of those stocks. Its shares have plunged 14.8% over the past three months.

In its second-quarter fiscal 2020 report, Canada Goose reported a 25% year-over-year increase in revenue. It also posted a $60.6 million second-quarter profit. Unsurprisingly, its strength in the Asia region powered its growth in the quarter. Even rising tensions between Canada and China have not been enough to derail its popularity. This was demonstrated by the long lines that greeted its Beijing store opening in late 2018.

Canada Goose is still battling short sellers who are betting that the luxury winter clothing maker will struggle to hit its lofty targets going forward. Unseasonably warm weather to start this year is not the most encouraging way to kick things off. Still, Canada Goose is committed to its push into other seasonal wear. This is meeting with some success early on. The year 2020 will be a crucial one for Canada Goose.

GOOS shares plunged into technically oversold territory late last week but have since spiked on the buy signal. The stock had an RSI of 41 at the time of this writing. Canada Goose stock is still trading nearer to its 52-week low, so there is time to jump on the dip for value investors.

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