



3 Biggest Loser Stocks Today to Make You a Super Stock Picker Tomorrow

Description

Some of the latest and biggest loser stocks over the last month are **Teck Resources** ([TSX:TECK.B](#))([NYSE:TECK](#)), **CCL Industries** ([TSX:CCL.B](#)), and **MTY Food Group** ([TSX:MTY](#)) for having fallen 29%, 19%, and 20%, respectively.

However, they can make you a [super stock](#) picker in the future if you buy them at the right time. First, let's explore why the stocks are down.

Teck Resources stock down by a half

Teck Resources stock has been on a slide for some time. In fact, its market capitalization has evaporated 54% in the last 12 months.

Initially, the slide was due to the trade war between the United States and China that was expected to lead to slower economic growth in China. Then, the novel coronavirus outbreak made the situation worse.

Teck Resources is highly cyclical. It primarily mines copper, zinc, and coal. The demand for these products are high during economic expansion and vice versa.

The only thing predictable about the business is that its profitability is unpredictable year to year. A glimpse of its wide fluctuations is shown from its recent results — in 2019, it reported EBITDA of \$2,481 million versus 2018's \$6,174 million.

Although the average analyst price target of \$31.37 per share is enticing and allows investors to more than double their investments from \$14.45 per share today, the stock is known to trade at a single-digit stock price during cyclical lows. Therefore, it's more prudent to wait.

CCL Industries stock down by 14%

In the last 12 months, CCL Industries stock has only fallen 14%, which is not so bad. The specialty label, security, and packaging solutions company just reported its fourth-quarter and full-year 2019 results on Friday, and they weren't great.

Q4 was a drag on full-year results. For 2019, revenue only increased 3% to \$5.3 billion, and operating income was only up 2% to \$787 million. Similarly, adjusted earnings per share grew 2% to \$2.79. Free cash flow increased marginally to \$444 million.

The management's outlook for 2020? Not surprisingly, it anticipates the coronavirus to negatively impact its CCL Label & CCL Design and Checkpoint businesses, which accounted for 75% of its 2019 operating income. Understandably, the market reacted with a selloff that dragged the stock down by 17%.

Notably, CCL Industries stock came off from a high valuation. At Friday's market close price of \$47.35 per share, the stock traded at 17 times its 2019 earnings, which would be a decent valuation in a normal market.

Long-term investors will likely do fine buying the quality stock here. However, near-term pressures can further weigh on the stock. So, it's possible to get a better price over the next three to six months.

MTY Food Group stock down by 17%

In the last 12 months, MTY Food Group stock has fallen 17%. It's easily my favourite stock pick of the three right now, because it's a recession-proof business that incredibly *increased* earnings during the last recession. In fact, it has increased earnings *every year* since 2003, which is an amazing track record.

There's some uncertainty, though. The company was supposed to report its quarterly earnings results on February 18, but it has postponed it to report by the 28th.

The reason? Allegations, which were not publicly disclosed, were made by a whistle-blower employee. There's so much guesswork here that interested investors just have to make the call on whether to trust the company on this one and buy the dip.

MTY is a company that has delivered tremendous shareholder value over the long haul. The growth stock has been a seven-bagger since 2007. Not to mention that the stock was trading at about \$0.50 per share back in 2004, which would make it a 99-bagger, as crazy as that sounds.

At \$49.77 per share at writing, the stock trades at about 15.2 times earnings, which is the cheapest since 2010! Additionally, analysts have an average 12-month price target of \$64.50 per share on the stock, which represents almost 30% near-term upside.

You can be a super stock picker!

To be a super stock picker, you need to buy stocks at the right price at the right time. Right now, by picking up MTY Food Group, you'll likely be able to brag about being a super stock picker for years to

come. You might want to wait on Teck Resources and CCL Industries, though.

Here are some [super stocks](#) to make you rich.

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TECK (Teck Resources Limited)
2. TSX:CCL.B (CCL Industries)
3. TSX:MTY (MTY Food Group)
4. TSX:TECK.B (Teck Resources Limited)

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