BUY ALERT: 2 Cheap Stocks to Grab Today

Description

Cheap stocks have not been hard to come by after one of the fastest falls into bear market territory in history. However, this environment will not last forever. The S&P/TSX Composite Index was up over 500 points in early afternoon trading on April 6. It is important to look for value in this market.

Jobless claims soared in the United States in Canada last week. However, the Trump administration has said that there are indications the COVID-19 outbreak is stabilizing. President Trump has reiterated his intention to “open things up” after the period through April 30 comes to an end. If the U.S. does “open up,” the pressure will be on Canada to follow suit.

Cheap stocks are still available

Meanwhile, the market has rebounded somewhat, but there are still many promising equities that have plunged into oversold territory. Today, I want to look at two stocks that investors may want to consider in early April. Let’s dive in.

Celestica (TSX:CLS)(NYSE:CLS) is a Toronto-based company that provides design, manufacturing, hardware platform, and supply chain solutions in Canada and internationally. Its shares have fallen 45% month over month as of early afternoon trading on April 6. This cheap stock is down 58% year over year.

The company released its fourth-quarter and full-year 2019 results on January 29. IFRS revenue climbed to $6.6 billion over $5.8 billion in the prior year. Adjusted net earnings increased to $149.8 million compared to $71.5 million in 2018. Celestica provided a COVID-19 update on March 17. It elected to withdraw its Q1 2020 financial guidance. The “shelter-in-place” orders executed in the Bay Area and the closure of certain businesses in Malaysia is expected to adversely impact Celestica.

Shares of Celestica last had a very favourable price-to-earnings (P/E) ratio of 6.4 and a price-to-book (P/B) value of 0.3. The stock last had an RSI of 35, putting it just outside oversold levels. Celestica carries forward an okay balance sheet.

One stock on the rebound today

Spin Master (TSX:TOY) is a children's entertainment company that creates, designs, manufactures, and markets various toys, games, products, and entertainment properties across the globe. Shares of Spin Master were up 7.15% at the time of this writing. However, the stock had declined over 50% month over month. It still qualifies as a cheap stock today.

In Q4 2019, the company reported revenue of $473 million — up 14.3% from the prior year. Gross product sales also increased 18.3% to $550 million. For the full year, revenue decreased 3.1% to $1.63 billion and gross profit fell 4.1% to $785 million. COVID-19 will also have an impact on Spin Master's sales in the near term as well as its potential production. China produces roughly 60% of its goods. This means that Spin Master could still be in for some volatility in the spring and summer.

The stock last possessed a favourable P/E ratio of 17 and a P/B value of 1.3. Its jump today thrusted its shares out of technically oversold territory. Spin Master boasts an immaculate balance sheet and promising growth potential. I'm bullish on this still-cheap stock after the March bloodbath.

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