COVID-19 Market Crash: 2 Heavily Oversold Stocks to Buy Now

Description

Great companies always attract investors, whether that means seasoned investors who understand the company's strong fundamentals or novice investors attracted by the past performance. The result is that many amazing stocks become oversold relatively quickly. And while they continue to garner attention from other investors, value investors stay their hand from oversold stocks.

But no company is absolutely infallible, and the current market is testament to that. Right now, some of the most oversold stocks are trading at, and even below the fair value. If you didn't buy them before, now might be a good time to take a piece of some of the most sought-after businesses on the TSX.

An asset management company

Brookfield Asset Management (TSX:BAM.A) is an alternative asset management company. It started its journey as a construction and electricity management company in Brazil 1899. Currently, it's headquartered in Toronto and has a decently diversified portfolio made up of high-value and long-lasting assets. The total worth of assets under the company's management is estimated at $540 billion.

The company's 2000 assets span 30 countries, most of which are in North America, Europe, the Middle East, and South American countries, with Asia bringing the rear. And the assets are more than mere blips on the map.

The largest water company in Brazil, the third-largest power generation in Colombia, a leading healthcare group in Australia and the largest independent communication infrastructure business in France are but a few of the jewels in Brookfield's crown.

The company still has a price-to-earnings ratio of 19.8, even with the share price down 26% from its peak value in Feb. Currently, the company is trading at $44.52 per share. It's also a Dividend Aristocrat.

Even at the current discounted price, the country's past growth looks attractive, with the five years returns coming out to about 59%.

A software company

While software is a relatively less potent sector on the TSX, some of the companies in it stand out. Like the decade-old aristocrat, **Enghouse Systems** (TSX:ENGH).

After falling about 17% in the past weeks, the current price of the company is at $45.5 per share, and the price-to-earnings is at 35 times. The company operates under three major divisions: communications, transportation, and networking.

The company is very generous with its donations. It increased its payouts by 125% in the past five years. It also rewards it with capital growth. The company's CAGR for the past decade is an amazing 29%.

With its payouts and growth prospects, it's easy to see why it's such an oversold stock. But now is your chance to grab it at a near fair value.

Foolish takeaway

Market crashes present an amazing opportunity to buy good companies at dirt-cheap prices. And while Brookfield and Enghouse aren't exactly trading near the bottom, the share prices are down more than they have been in years. If you planned to add these stocks to your portfolio, now might be an amazing time to grab them.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:BN (Brookfield)
2. TSX:ENGH (Enghouse Systems Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Tech Stocks

Date
2025/09/14
Date Created
2020/04/11
Author
adamothman