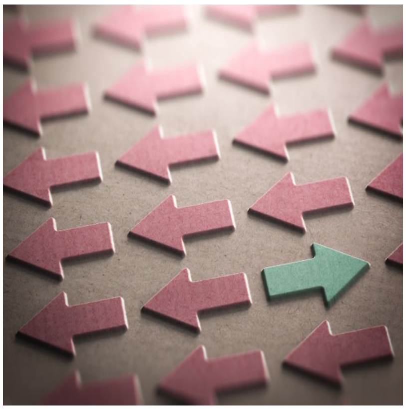

3 Beaten-Down TSX Stocks to Buy Right Now

Description

If you have missed the opportunity to participate in the recent recovery rally in the stock market, don't worry. Here are three TSX stocks that are still down, despite their strong fundamentals, and they have strong upside potential in the long term.

Great Canadian Gaming

The optimism over the reopening of the economy has led to a slight recovery in the **Great Canadian Gaming** (TSX:GC) stock. However, the Great Canadian Gaming stock is still down about 32% this year. The unmatched demand destruction caused by the coronavirus outbreak has taken a toll on its stock price.

The temporary closure of all of its facilities and a pause on its capital projects under development could hurt its near-term financials. Great Canadian Gaming's revenues declined by 10% in the most recent quarter, reflecting the halt in its operations. However, the more significant impact of the COVID-19 on its financials is likely to come in the second quarter, where its sales and profitability could take a drastic hit. Even with the reopening of its gaming facilities, traffic could stay low in 2020.

While challenges persist in the near term, Great Canadian Gaming stock should perform exceptionally well over the long term. If you look at the company's performance before the pandemic stalled its growth, you'll know the strength of its business. Great Canadian Gaming's top line has marked strong double-digit growth in the past couple of years. Besides, it has managed to expand its margins considerably.

Investors with long-term investment horizons should accumulate Great Canadian Gaming stock, as the company is likely to regain its mojo, as the economy returns to normal.

Spin Master

Spin Master (TSX:TOY) is another such stock that has taken a massive hit due to the COVID-19 outbreak. Despite the recent recovery, Spin Master stock is still down about 49% year to date. Demand destruction across most of its product categories and supply-chain disruptions dragged its shares down.

However, Spin Master has started seeing green shoots. Three of its biggest customers, including **Target**, **Walmart**, and **Amazon**, are continuing with their purchases. Meanwhile, its major manufacturing facilities have started to operate at full capacity.

Investors should note that the company also owns a strong portfolio of digital brands and entertainment franchises that could accelerate its growth in the long run. Also, it maintains a strong balance sheet and has ample cash flows to meet its near-term obligations and fund its growth initiatives.

Given the sharp decline in its stock and improving business prospects, Spin Master stock is an attractive value pick.

Pembina Pipeline

Despite its low-risk and highly contracted business model, shares of **Pembina Pipeline** (TSX:PPL)(NYSE:PBA) are down about 31% this year. The sharp decline in Pembina Pipeline stock presents an excellent opportunity for investors to generate substantial long-term gains and earn consistent dividend income.

Pembina's diversified revenue base, strategic acquisitions, and fee-based contracts reduce direct commodity exposure and price and volume risk. Moreover, its fee-based cash flows support its dividend payouts.

Pembina's diversified revenue base, strong liquidity, and a lucrative dividend yield of 7.6% make it an attractive investment option.

CATEGORY

1. Coronavirus
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)
3. TSX:TOY (Spin Master)

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