Bargain Hunters: 3 TSX Stocks Nearing 52-Week Lows to Buy Right Now!

Description

Although the stock market has mostly (or fully in the case of the **NASDAQ 100** and **S&P 500 Composite Index**) recovered from the COVID-19 sell-off, there are still many battered **TSX Index** stocks that are nearing 52-week lows. It's these such stocks that could be among the biggest winners if we're due for a growth-to-value rotation into year-end.

Moreover, if a COVID-19 vaccine lands later this year and is ready for broad distribution in mid-2021, some could find themselves roaring on the back of the next bull market.

Without further ado, consider the following three TSX stocks near their 52-week lows if you're hungry for a steal of a deal.

Air Canada: More turbulence could propel AC stock closer to 52-week lows

Air Canada (TSX:AC) took several steps back over the last few weeks following the release of some brutal quarterly earnings results that saw steep losses continue to mount. Shares of the Canadian airline are down nearly 70% from all-time highs, and with the stock starting to pick up negative momentum, we could see those March lows be tested if little to no progress is made with a COVID-19 vaccine.

Management is doing everything in its power to survive this crisis. Cash burn rates are slated to fall further, and with sufficient liquidity to wait for the advent of a vaccine within the year, Air Canada stock has a compelling high risk/reward trade-off for courageous investors who have the disposable income to speculate with.

As much as I'm a fan of Air Canada's efforts to weather the COVID-19 hailstorm, the stakes are far too high to call Air Canada anything more than a prudent speculation at this juncture given the possibility of airline insolvencies that could occur under a bear-case scenario.

Suncor Energy: A battered Warren Buffett stock too cheap to ignore

If you're looking for deep value and not a high-upside speculative bet, **Suncor Energy** (TSX:SU)(NYSE:SU) may be more of your cup of tea. Shares of the Canadian oil kingpin have taken a beating when oil prices slid earlier this year on a sluggish demand outlook thanks to the COVID-19 crisis.

While many of Suncor's integrated peers are starting to stage a recovery, Suncor is starting to retreat following the company's unprecedented 55% dividend reduction.

There's no question Suncor lost fans with its dividend cut. But the company has a rock-solid balance sheet, and an integrated cash flow stream that I don't think is being fully appreciated by investors. Yes, the 3.9% yield stinks compared to the other higher-yielding energy names out there.

Still, shares are ridiculously undervalued at $21 and change, especially given the possibility of energy industry relief that could be in the cards over the next year.

Shares trade at a 9% discount to book value and is a great buy for bargain hunters.

SmartCentres REIT: A retail REIT nearing 52-week lows

If you're a value investor who seeks more yield, look no further than **SmartCentres REIT** (TSX:SRU.UN), a 9.1%-yielding retail property play that I purchased shares of this morning. The strip mall REIT is recovering from the initial disruption and looks well-equipped to weather a second wave of COVID-19 shutdowns should they happen, thanks to its overweighting to tenants that provide essential goods and services.

Once the pandemic passes, SmartCentres REIT could soar to its pre-pandemic highs, as consumers return to its shopping locations. Sure, some of its tenants, like Reitmans, are done for, but such pressured tenants remain an overwhelming minority that's unlikely to take a toll on the distribution.

As the nation continues reopening cautiously in phases, SmartCentre is a smart bet that could allow investors to lock-in a huge distribution yield alongside potentially outsized capital gains.

If you're not buying the death of the mall thesis, now's a great time to bet on the name while shares are severely depressed at $20 and change. Moreover, Smart isn't going to be a retail-focused REIT forever, as many of its projects aim to diversify across other more attractive real estate sub-industries (think residential).

So, if you're a long-term investor, you could benefit from multiple expansion over the next decade and beyond as Smart diversifies its property portfolio.

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2. TSX:AC (Air Canada)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)
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