



Got \$3,000: These 3 Top Stocks Could Rebound and Double Your Money

Description

The coronavirus pandemic has hit businesses hard, taking a toll on the majority of the stocks on the **TSX**. While several TSX stocks have rebounded strongly post touching lows in March, few continue to reel under pressure.

Since the shares of these companies have lost a significant portion of their value this year, they continue to trade cheaply and look attractive buying options. Besides, these companies are starting to see a gradual improvement in their businesses. So, if you've got spare \$3000 to invest, these stocks have the potential to bounce back and double your money.

Air Canada

With its shares down over 66% this year, **Air Canada** ([TSX:AC](#)) offers excellent value to investors who have the patience to buy and hold its stock for the long term. While grounding of its aircraft amid the COVID-19 pandemic could hurt its near-term prospects, Air Canada has ample liquidity to survive the current crisis and rebound strongly once passenger volumes return.

While it is still unknown at what pace the recovery might come as COVID19 infections continue to increase, the resumption of domestic flights and expectations of the gradual reopening of the international borders bring some respite.

Air Canada's net cash burn is likely to witness gradual deceleration, while revenues are expected to show sequential improvement over the next couple of quarters. Its stock could continue to remain volatile in the short-term on weak consumer sentiments.

However, [Air Canada stock could see steep growth and could double](#) with the increase in passenger volumes and the rise in international traffic.

Suncor Energy

Shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) are down about 48% year to date as a supply glut and low demand amid COVID-19 dragged oil prices down. Suncor Energy announced several cost-cutting measures and cut its dividends to survive amid low demand.

However, OPEC+ nations' extension of the [production cut](#) lent support to oil prices and helped in stabilizing the price a bit. Besides, the reopening of the economy around the world further brings hopes of recovery.

Suncor has lowered its breakeven price to a West Texas Intermediate (WTI) price of US\$35 per barrel. What it means is that Suncor Energy will be able to meet its obligations and dividend payments at a WTI price of US\$35 per barrel. Investors should note that WTI crude continues to hover around US\$40 per barrel, which is encouraging.

The company's integrated business and pickup in economic activities indicate that Suncor stock could reach pre-pandemic levels in the coming two to three years and double your money.

Gildan Activewear

Gildan Activewear ([TSX:GIL](#))([NYSE:GIL](#)) is another casualty of COVID-19 pandemic. Its stock lost significant value and is still down over 35% this year as lower demand in its imprints sales channels and store closure dragged its sales down drastically.

Gildan's imprints channel products are primarily used in sporting, promotional and cultural events. However, with the absence of large gatherings amid the pandemic, the segment is witnessing a sharp decline in sales.

While challenges persist in the near-term, the company has started to see a gradual improvement in the sell-through trends with easing restrictions and reopening of the economy.

Gildan's financial flexibility should help the company to navigate the current crisis. Meanwhile, sequential improvement in sales should continue to support its stock.

Bottom line

These beaten-down Canadian stocks can bounce back strongly and generate stellar returns for investors. However, investors should note that these three TSX stocks also carry a high degree of risk.

Thus, investors with a long-term investment horizon have a higher probability of squeezing out huge returns for these stocks.

CATEGORY

1. Coronavirus
2. Energy Stocks

TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AC (Air Canada)
4. TSX:GIL (Gildan Activewear Inc.)
5. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Koyfin
2. Msn
3. Newscred

Category

1. Coronavirus
2. Energy Stocks

Date

2025/08/24

Date Created

2020/08/10

Author

snahata

default watermark

default watermark