



4 Beaten-Down Stocks That Could Double Your Money in Just 2 or 3 Years

Description

The stock market crash in March offered an opportunity to buy high-quality stocks at attractive valuations. Further, if you participated in the recovery rally, you're probably enjoying massive gains by now. However, if you missed the opportunity to buy low and sitting on cash waiting for the stock market to crash again, you probably won't have to wait too long.

The economy is in bad shape. Besides, the resurgent virus further exacerbates problems. However, we need to understand that the stock markets and the economy are not intertwined. As the stock market remains firm, it's time to buy beaten-down stocks that can double or triple your money as the economy comes out of the gloom. Here are four stocks that are [trading low and could generate incredible returns](#).

Air Canada

With a year to date decline of 65%, **Air Canada** ([TSX:AC](#)) stock offers a once-in-a-decade investment opportunity. The grounding of its flights amid travel restrictions weighed heavily on Air Canada stock. Besides, the rising COVID-19 infections continue to pose challenges and refrain people from travelling through flights.

However, with the restart of domestic flights and hopes of improvement in passenger volumes, Air Canada's losses are likely to decelerate sequentially. Moreover, as and when international borders are opened for travel, Air Canada stock could get a significant boost.

Investors with three to four years of investment horizon shouldn't miss the opportunity to buy Air Canada stock for enormous gains.

Suncor Energy

Low oil prices amid weak demand have led to more than 47% decline in the shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Though the oil prices continue to trade low, it has rebounded strongly from the

lows.

With massive cost-cutting measures and benefits from its integrated business model, Suncor Energy has managed to lower its breakeven price, which is encouraging. As the West Texas Intermediate (WTI) crude continues to consolidate around US\$40 per barrel, Suncor can easily meet all of its obligations and cover its payouts too.

As the economic activities increase, the energy demand will rise, driving the shares of Suncor Energy higher. Suncor stock could touch its pre-pandemic levels in the next three to four years, which reflects a return of more than 100%.

Pembina Pipeline

Similar to Suncor, shares of **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) are also bearing the brunt of weaker energy demand. Its stock has declined over 27% this year and presents an excellent buying opportunity. Investors should note that Pembina's business is highly contracted and generates strong fee-based cash flows.

Its contractual arrangements and diversified businesses could continue to cushion its bottom-line amid challenges. Meanwhile, the company is likely to generate strong cash flows with the recovery in demand. Pembina stock also offers an attractive yield of more than 7%.

Gildan Activewear

Gildan Activewear ([TSX:GIL](#))([NYSE:GIL](#)) stock is down over 33% this year. The pandemic has taken a toll on its revenues, especially the imprintables sales. Its top-line decreased by 71.3% in the [most recent quarter](#), reflecting inventory destocking and higher promotional discounting in imprintables.

The company's imprintables business depends on large gatherings like promotional, sporting, and cultural events. However, with the pandemic in the background, the segment is witnessing a sharp decline.

Despite near-term headwinds, Gildan Activewear is likely to navigate the current crisis and has started to see improved sell-through trends, which is likely to support the recovery in its stock.

Bottom line

These **TSX** stocks are available at a big discount and offer strong growth potential. However, investors should note that these stocks also carry a substantial amount of risk. Investors with mid to long-term investment outlook have a higher probability of gaining big from these beaten-down stocks.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks

TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:AC (Air Canada)
5. TSX:GIL (Gildan Activewear Inc.)
6. TSX:PPL (Pembina Pipeline Corporation)
7. TSX:SU (Suncor Energy Inc.)

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Date

2025/08/20

Date Created

2020/08/17

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