



## Got \$3,000? 3 Beaten-Down Stocks to Buy Right Now

### Description

As the pandemic decimated demand, several TSX-listed stocks lost significant value. However, with the gradual pickup in demand (thanks to the reopening of the economy), a few TSX stocks showed a sharp recovery in the recent past.

Despite the recovery, they offer good value and continue to trade cheap compared to their pre-pandemic levels. So, if you got \$3,000 to invest, consider buying these three stocks while they are still low.

### Gildan Activewear

Shares of **Gildan Activewear** ([TSX:GIL](#))([NYSE:GIL](#)) are among my top recovery picks. Its stock recovered sharply and has surged over 110% from its March lows. Despite the stellar run, Gildan Activewear stock is still down about 26% since the start of the year and offers good value for investors looking to bet on the recovery theme.

Gildan Activewear registered a major reduction in sales, reflecting social-distancing measures, closure of retail outlets, and restrictions on its manufacturing and distribution channels. The company's net sales during the second quarter of 2020 [plunged 71%](#) year on year. Moreover, Gildan Activewear was forced to suspend its dividends and share-repurchase programs. Also, it implemented significant pay reductions to boost liquidity and stay afloat amid challenges.

However, with easing lockdown measures and the restart of its production facilities, Gildan Activewear has started to see improving sales trends. While an uncertain economic trajectory poses a challenge in the near term, Gildan Activewear stock could gain big over the next three years, reflecting the recovery in demand.

### Bank of Montreal

As the economic activities pick up the pace, bank stocks are likely to witness a strong recovery. Meanwhile, with a year-to-date decline of over 16% in stock and a price-to-book multiple of 1.1, **Bank of Montreal**

([TSX:BMO](#))([NYSE:BMO](#)) is another [top recovery bet](#).

Despite the significant disruption from the pandemic, the bank's revenues showed improvement in the most recent quarter, thanks to its ability to drive loans and deposit volumes. Further, its pre-provision, pre-tax profits remain strong.

Bank of Montreal stock is likely to benefit from the significant sequential decline in the provisions for credit losses. Meanwhile, the continued expansion of the balance sheet and strong expense management should cushion its bottom line and, in turn, its stock.

Investors are also expected to benefit from the bank's robust dividend payouts. The bank has been paying dividends for a very long period. Meanwhile, its dividends have been growing at a healthy pace. Currently, Bank of Montreal pays a quarterly dividend of \$1.06 per share, translating into an annual yield of 5.2%.

## Spin Master

Like Gildan Activewear, **Spin Master** ([TSX:TOY](#)) stock has also marked a stellar recovery from its March lows and has jumped over 199%. However, its stock is still down over 26%, providing an excellent buying opportunity right before the key selling season.

Its production facilities are operating at normal levels. Moreover, its top three customers are continuing with their purchases. Also, its digital offerings are growing at a healthy pace with sustained growth in its monthly active users.

Spin Master's multi-platform products, growing digital and entertainment assets, and the upcoming holiday season should drive the recovery in its stock and boost investors' returns.

### CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:GIL (Gildan Activewear Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:GIL (Gildan Activewear Inc.)
5. TSX:TOY (Spin Master)

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**Date**

2025/08/16

**Date Created**

2020/10/28

**Author**

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