



## Stocks at a +55% Discount: Where to Invest \$1,000 Right Now

### Description

The market crash back in March left the markets in a shambles. We were already living in a time of [volatility](#), but the **TSX Composite** saw a drop of about 40% within a month. It took about five months to return to around where it once was, but there are still many stocks trading well below pre-crash levels.

In fact, there are many that offering a 55% discount or higher during this time. That's because each is within an industry that remains volatile, thanks to the coronavirus. While there are some areas actually doing well with the work-from-home economy, clearly, there are others that aren't. However, if you take the Motley Fool advice of buying and holding long term, it shouldn't be a problem to have even a small stake in some of these companies.

So, if you have just \$1,000 to invest right now, I would consider researching **Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)) and **Cineplex** ([TSX:CGX](#)).

### Cenovus

Cenovus recently became the third-largest energy company in Canada after acquiring Husky Energy in the last month. Yet the company actually dropped in share price at the news, while Husky went up. That's because Cenovus still has quite a bit of debt, and there were some investors that believed the company took on too much before the end of the pandemic.

The stock is now at a discount of about 55% as of writing. While this year still looks troubling for revenue, next year economists predict the company to see revenue increase by about 13%. Meanwhile, its EV-to-sales for the next 12 months look to be around 0.9 times, whereas during the last year it traded around 1.1 times.

This discount makes it still the perfect recovery stock. The acquisition means the company will see a huge increase in revenue, even without the recovery of crude oil. However, it's quite likely that the demand for crude oil will increase gradually over the coming years with China's and India's need increasing and the Organization of the Petroleum Exporting Countries (OPEC) making headway.

Cenovus should be right at the top of the pile when it comes to recovery. This comes from its cost-reduction methods over the last few years. In particular, it's invested in a method of refining oil at the site. Once perfected, this could cut costs to a fraction of what it would be for other producers.

## Cineplex

Another company due for a recovery has to be Cineplex. The company flatlined during the [pandemic](#) and still hasn't recovered. Even as other businesses have opened, Cineplex's doors remain relatively closed. That's because even if the company could manage to have consumers, most likely would be quite nervous with sitting in a closed room with others that may have the virus.

Yet Cineplex is Canada's largest cinema, and it's unlikely to go anywhere. While it may have to close some locations and wait to continue its growth in the Rec Room, it could start to open its larger locations. The biggest advantage would be if the company could also find a way to invest in a streaming service as e-commerce giants have done. If it can do this, Cineplex will likely have saved its future outlook.

For now, the company is at a whopping 70% discount from pre-crash levels. The next 12 months could see EV to sales reach 3.3 times, while in the last 12 months it sat at around 2.2 times. Basically, economists don't think things can get any worse for Cineplex. So, you could be looking at even doubling your cash in the next year.

## Foolish takeaway

Everything is relatively risky in this volatile market. However, these two large companies stand the best chance of taking that +55% discount and sending it soaring. Both stocks are dirt cheap compared to pre-crash levels. So, if you're looking to put \$1,000 any where, consider looking into these first as long-term holds.

### CATEGORY

1. Coronavirus
2. Investing

### TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:CGX (Cineplex Inc.)
3. TSX:CVE (Cenovus Energy Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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