



Got \$1,000? 2 Explosive Stocks to Buy While They're Cheap

Description

With the rollout of a COVID-19 vaccine, most Canadians can expect to be vaccinated by the end of this year. The positive news has started boosting investor morale, and they feel more inclined to invest in companies that have taken a beating throughout the pandemic-riddled year.

The result has been an upswing of many stocks recovering from the damage caused by COVID-19 to their valuations when they fell off a cliff in February and March 2020.

Today I will discuss two stocks that could provide you with excellent [value investment opportunities](#) to buy on the cheap. It is possible that these value stocks could go far beyond your reach once the COVID-19 recovery comes into full effect.

MTY Food Group

MTY Food Group Inc. ([TSX:MTY](#)) is a Canadian food court giant that has already picked up pace in terms of its COVID-19 recovery. MTY is trading for \$53.73 per share at writing. At its current valuation, the stock is up 224% from its share price on March 18, 2020. Despite the rapid climb, MTY is trading for a discount on its pre-pandemic highs.

While MTY might not be a major name, you might recognize Taco Time, Vanelli's, Extreme Pita, and Thai Express. These are just some of the quick-serve restaurant names under the belt of the food court kingpin. As social distancing measures took effect, restaurants and malls were shut down. MTY lost 75% of its valuation, and it seemed that malls would be deserted for the foreseeable future.

The company was at risk of going under. The stock could be an excellent recovery play. It has already had an explosive run that does not make it too big a steal anymore. However, it could provide investors with greater returns if we are out of the woods with the pandemic.

Cineplex Inc.

Cineplex ([TSX:CGX](#)) seems like an exceptional opportunity for investors looking to invest \$1,000 in high-quality stocks that are trading for a discount. The battered movie theatre stock fell from greatness when the social distancing mandates shuttered down all its locations. If the rollout of the COVID-19 vaccine is successful, people might feel more inclined to return to normal activities like going to the movies.

However, it may take some time for people to feel comfortable with filling up a cinema hall due to fears of a third wave of infections. If you look to the future in a world that is no longer in danger because of COVID-19, Cineplex could be a fantastic investment opportunity. Increasing sales could happen as part of the post-pandemic discretionary spending boom. While people may be initially hesitant, they would want to go to the movies again.

Cineplex has suffered from considerable erosion due to the pandemic. While it has started making slightly positive movements, it is down 72.35% from its valuation a year ago. The stock is trading for \$9.37 per share at writing and pays investors at an alarmingly inflated 19.21% dividend yield. Investing in the stock would take faith in the theater giant's ability to recover post-pandemic, but its upsides could be immense.

Foolish takeaway

If you have \$1,000 to invest, a stock like MTY Food Group or Cineplex could be an excellent way for you to begin capitalizing on the post-COVID recovery in the stock market. Just remember that there is a significant risk involved with investing in both companies.

If there is an implementation of further restrictions, [another market crash](#), or businesses are forced to shut down, your investment in these two companies could devalue before it can recover.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:MTY (MTY Food Group)

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Author

adamothonman

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