2 Unreasonably Pummelled Stocks to Consider Buying Cheap

Description

Stock market crashes might devastate most investors' capital by devaluing their investments substantially amid the selloff, but it also presents an opportunity for investors seeking deep value investments. Finding deep-value stocks on the stock market is not the easiest approach, but it yields some of the most fantastic long-term returns.

In this kind of frothy market environment, wonderful businesses at fair prices that present massive long-term value are becoming scarce. It might be more lucrative to search for companies that are unreasonably pummeled and buying the shares on the cheap for more substantial returns.

Looking for deep value stocks is not something every investor might have tolerance for because of the short-term pain involved. If you are looking to turn a quick profit, you might get a better chance through high-growth tech stocks.

If you are willing to hang on for the long haul and reap the benefits of sticking it out with unreasonably battered stocks, you might find **Cenovus Energy** (TSX:CVE)(NYSE:CVE) and **Spin Master** (TSX:TOY) interesting.

Battered energy stock

When you want to find unreasonably battered companies that can provide you with substantial returns in the long run, consider looking at sectors that have been shunned. The continuing focus on green energy and a decline in fossil fuel demand in recent years has many Canadians writing Cenovus off their lists.

While the CVE has the reputation of being highly volatile at times, the current downward swing in its valuation could be drastically overdone. CVE is still suffering from the economic fallout of COVID-19, but a global recovery could right a lot of wrongs for the company. Cenovus can be an excellent recovery play.

Cenovus is one of the cheapest fossil fuel plays on the market, and it could make a strong run on the stock market by the end of the year, depending on how the pandemic situation plays out.

Unloved toy stock

Spin Master is a significant name that has had more than its fair share of trouble over the years. A company as huge as Toys “R” Us left a void in the toy industry, opening the room for others to take its place. However, the onset of the pandemic created catastrophic circumstances and prevented that from happening immediately.

Industry-specific issues have also left Spin Master stumbling at the worst possible time. The company lacks solid operational leadership. Despite its challenges, the toy maker has a lot of potential as a recovery play. It boasts a robust lineup of toys, a pretty balance sheet, and an encouraging new product pipeline.

With a potential boom in post-pandemic discretionary spending on the other side, Spin Master could be an excellent buy on weakness.

Foolish takeaway

Cenovus Energy is trading for $8.62 per share at writing, while Spin Master is trading for $26.36 per share. Investing in shares of both companies could provide you with substantial long-term returns in the post-pandemic economy.

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1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:CVE (Cenovus Energy Inc.)
3. TSX:TOY (Spin Master)

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