



## Looking for Rebound Plays? These 4 Canadian Stocks Are Trading at Steep Discounts

### Description

Amid the expectation of economic recovery and corporate earnings improvement, the Canadian equity markets continue to hit new highs. However, few companies are trading significantly lower from their 52-week highs. Here are four such companies. Let's examine whether buying opportunities exist in any of these stocks.

### Facedrive

**Facedrive** (TSXV:FD) has witnessed wild swings this year. Its stock price rose to an all-time high of \$60 amid optimism over its expansion plans, EV boom, and climate-friendly pitch. However, its stock price fell over 65% from its all-time high to trade at \$19.94 amid concerns over its astronomical valuation.

Facedrive had recently announced that its TraceSCAN has received “co-sell ready” status on the **Microsoft** Partner Network, allowing significant scaling opportunity. Further, the company's key executives have extended their shares' lock-up period, while its food delivery vertical continues to deliver substantial growth.

Despite these positive, the company's financials do not support its high valuation. Its multiple verticals have increased expenses while not delivering expected revenue growth. So, despite the significant fall in its stock price, I am skeptical of going long on Facedrive.

### BlackBerry

Second on this list is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), which has lost close to 67% of its stock value from its January highs. Concerns over speculative trading and weak fourth-quarter sales have dragged the company's stock price down. However, I believe the decline in its stock price provides an [excellent buying opportunity](#), given its multiple growth drivers.

Amid rising remote working and learnings, cybersecurity spending could increase in the coming years. With its new innovative products, BlackBerry is well positioned to capitalize on the growing addressable market. Further, through its partnerships with **Amazon** Web Services and **Baidu**, the company is looking at strengthening its position in the connected EV market, which has substantial growth potential.

## Aphria

Amid the weakness in the cannabis market, **Aphria** (TSX:APHA)(NASDAQ:APHA) has fallen close to 50% from its 52-week high. Meanwhile, investors could utilize this correction to accumulate the stock to earn superior returns, given the growing addressable market amid increased legalization and growth initiatives.

Aphria has reported positive adjusted EBITDA for seven consecutive quarters, while many of its peers struggle to break even. Further, it has already acquired a substantial market share in the Canadian recreational market through its strong performance in the vape and dried flower segment.

Meanwhile, its proposed merger with Tilray would significantly boost the combined entity's market share in domestic and international markets. The synergies between the two companies can also deliver \$100 million savings within two years of completing the transaction.

## Cargojet

Last year, **Cargojet** (TSX:CJT) had delivered impressive returns of over 107%. The grounding of passenger aircraft, which carried cargo in their bellies, amid the pandemic-infused restrictions, and e-commerce growth drove the demand for the company's services, thus boosting its stock price.

However, amid the rollout of multiple vaccines, investors fear that the demand for Cargojet's services could fall as life and businesses return to pre-pandemic ways. These concerns have dragged the company's stock price and valuation into an attractive territory.

Further, the company has raised around \$365 million to lower its debt levels and acquire new aircraft to meet the growing demand for its services. The company also recently [expanded its partnership with Amazon](#), which could drive its earnings and cash flows over the coming quarters. Along with these initiatives, the secular shift towards e-commerce could support Cargojet's stock price growth.

### CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:CJT (Cargojet Inc.)

4. TSXV:STER (Facedrive Inc.)

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