



2 Beaten-Down Canadian Stocks That Just Hit Massive Buy Signals

Description

We're all about sound [fundamental](#) analysis here at The Motley Fool. That said, I believe it can't hurt to also take a look at the technical picture after you've deemed that a particular Canadian stock is a buy. In this piece, we'll have a look at two timely names that are both fundamentally [undervalued](#) and technically poised to move higher over the coming months.

Enter WallStreetBets darling turned bust **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) and recycled paper products firm **Cascades** ([TSX:CAS](#)), two solid names I'd look to bet on as we inch into late 2021 and the potential abating of this horrific pandemic.

BlackBerry

BlackBerry went bust about as quickly as it boomed thanks to the short-squeezing crowd over Reddit's WallStreetBets forum. While the stock has lost its step, I still think it may be worth grabbing at this critical market crossroads.

Why?

Little has changed about the company over the past several months — only the price. Project IVY, which should be a major needle mover over the long haul, is still on the table. COVID-19 headwinds are due to fade, and CEO John Chen is still hard at work, doing his best to turn the ship around. It could take well over a year for Chen to make BB stock great again, though.

So, unless you're going to be patient like Prem Watsa, who's stuck by the name through years of underperformance, I'd steer clear, even as the auto sector continues lifting off on the other side of this terrible pandemic. The stock looks absurdly undervalued at just six times sales. Analysts aren't fans of the name, with no buys as of right now. That said, if you want to get the most gains, you're going to want to punch your ticket well before BlackBerry proves itself to the critics.

While I have no idea when BlackBerry will grow organically to justify analyst upgrades, I do think that now is as good a time as any to be a buyer of shares. The technical picture hasn't looked this good in

quite some time. A continuation wedge pattern looks to be in formation. If it comes to fruition, BB stock could be headed over 40% higher from today's levels of \$9 and change.

I think BB stock is as timely as ever. So, take the doubters with a grain of salt. BlackBerry is ready to run.

Cascades

Cascades is a paper towel firm that manufactures and markets various paper products that tend to be made from recycled fibres. The company isn't just a toilet paper or paper towel play to hoard ahead of the next wave of COVID-19. It's actually a compelling long-term investment that's insanely undervalued at these depressed levels (\$13 and change). Moreover, recycling is a major plus for ESG investors. And after the stock's latest brutal collapse, thanks in part to some unfavourable surging pulp prices, I think investors ought to be loading up before the next leg higher.

Pulp, paper, and other wood products, most notably lumber, are in short supply these days. The price is rocketing, and that's not good news for the margins of firms that use such goods as inputs. Now down over 25%, I think the damage is overdone and find considerable value to be had, as pulp prices look to cool off and normalize.

The stock yields 2.4% right now with a 6.8 times earnings multiple. Technically speaking, Cascades stock looks ready to bounce back, potentially as much as 40%, as a continuation wedge looks to have formed over the past few weeks.

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1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:CAS (Cascades Inc.)

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