Got $1,000? Invest in Top TSX Stocks at a 50-60% Discount

Description

Within a short period, the Canadian stock market recovered most of its value that got erased during the pandemic-led selloff. Thanks to the strong buying, top **TSX** stocks appreciated significantly in value and are trading near their pre-pandemic levels or even higher.

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While almost all TSX stocks participated in this stellar recovery rally, a few are still available at 50-60% discount compared to their pre-pandemic levels. The uncertainty related to the virus continues to limit the upside in few stocks.

Though challenges persist in the near term, I believe it's time investors should start accumulating these beaten-down stocks at regular intervals. The steady increase in economic activities, revival in demand, and improved operating environment suggest that these stocks could deliver stellar returns in the medium to long term.

So, if you got $1,000, consider buying these shares available at a massive discount.

An entertainment company

Let's begin with **Cineplex** (TSX:CGX) stock that took a massive hit as the COVID-19 pandemic wiped out demand and significantly disrupted its operations. However, the ongoing vaccination and reopening of the economy boosted Cineplex stock, which is up about 48% this year. Despite the recovery, Cineplex stock is trading a discount of about 60% from its pre-pandemic levels.

I see the massive discount in Cineplex stock as a solid buying opportunity. Cineplex's theatres and entertainment venues are now open. Moreover, its operations are slowly returning to normal, which is encouraging and could significantly boost its financials, and, in turn, its stock price.

Cineplex's financial metrics, including revenue and net cash burn rate, could show sequential improvements. Moreover, the reduction in cost, food delivery services, subscription programs, and a strong slate of movies suggest better days ahead for Cineplex investors.

The airline giant

Shares of airline company **Air Canada** (TSX:AC) are also available at a considerable discount (about 50%) from the pre-pandemic levels. While the company's recent financial performances showed signs of improvement, the rise of the delta variant of the coronavirus continues to play spoilsport.

Nevertheless, I remain upbeat on Air Canada stock for its solid long-term growth prospects. I believe Air Canada's solid liquidity and focus on lowering costs will likely help it survive the current crisis with ease. Meanwhile, a gradual pickup in air travel demand and improved booking rates suggest that Air Canada's operating capacity and revenues could trend higher in the coming quarters. Further, I expect the net cash burn to go down sequentially.

I expect Air Canada stock to get a solid boost from the acceleration in the pace of vaccination and the reopening of international borders. The normalization of its operations and continued momentum in its cargo business bodes well for future growth.

The bottom line

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The steady improvement in the economy, easing of lockdown measures, and a strong recovery in demand indicate that the Canadian stock market could continue to trend higher despite the virus in the background. It's worth noting that shares of both these companies are dirt cheap at current levels despite solid fundamentals.

While shares of these companies could remain volatile in the short term, I believe both these companies have the potential to double your $1,000 investment over time.

CATEGORY

1. Coronavirus

TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:CGX (Cineplex Inc.)

PARTNER-FEEDS

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Category

1. Coronavirus

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