2 Stocks Going Downhill You Might Want to Buy

Description

The **S&P/TSX Composite Index** has managed to hit new all-time highs again in 2021, taking the Canadian benchmark index soaring to greater heights than ever before. Many investors revel in such market environments when the entire stock market is putting up a stellar bull run because it provides them with decent returns on their investments.

Value-seeking investors who prefer investing in undervalued stocks do not particularly enjoy bull market runs because it means that most of the stock market is filled with names too expensive to buy for them to extract decent long-term value. As challenging as it may be, it is not entirely impossible to find high-quality stocks trading for a discount during bull markets.

Provided that you know how to find undervalued stocks, there are **TSX** stocks that you could consider adding to your portfolio today. Today, I will discuss two high-quality stocks you could buy on the dip, even during a soaring market.

Goodfood Market

Goodfood Market (TSX:FOOD) is a solid investment to consider at its current share price. The company has become Canada's leading grocery service provider amid the booming e-commerce industry due to the pandemic. It has retained a strong competitive edge in the industry among online grocery providers. The reopening of economies has led to a significant but healthy downside correction in its share prices.

Goodfood Market stock is trading for $6.83 per share at writing, down by almost 41% year to date. Despite the significant decline, the company boasts a strong potential to provide you with long-term wealth growth through capital appreciation. It could be an ideal time to pick up its shares while it is trading for a discount on the TSX.

WELL Health Technologies

WELL Health Technologies (TSX:WELL) is another solid investment you could consider investing in at its current levels. The telehealth industry boomed amid the pandemic, boosting WELL Health stock's share prices by a significant margin on the stock market as a result. However, easing restrictions and rising vaccination rates have led to a pullback in its share prices this year.

WELL Health stock is trading for $6.91 per share at writing, down by almost 12% year to date. The continued growth in its base business and a successful acquisitions strategy will likely drive its financials higher and accelerate its growth in the coming years. The stock could be an excellent buy for you to consider on the dip due to its long-term potential to deliver stellar shareholder returns.

Foolish takeaway

Buying shares of fundamentally strong companies on the dip is one of the most profitable investment strategies you can use to grow your wealth as a Canadian stock market investor. Despite the strong overall performance for the TSX in recent weeks, it is not impossible to find high-quality stocks trading for a discount.

The dip in the performance of Goodfood Market stock and WELL Health Technologies stock could be an excellent opportunity for you to add the shares of these two high-quality companies to your portfolio.

The past performance is no guarantee of future returns. However, the fundamentally strong position of both companies implies a strong possibility for upside correction in the coming months, making them potentially excellent undervalued stock picks for your portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. TSX:WELL (WELL Health Technologies Corp.)

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Date
2025/08/18
Date Created
2021/11/15
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