



3 Undervalued Stocks That Could Pop in December

Description

Not all undervalued stocks are ripe for growth in the near future. Some stay undervalued for a very long time, sliding down further and further. But there are a few undervalued stocks that might start spiking in a matter of weeks. These are the undervalued stocks you should look for if you are seeking short-term growth or validation for whether or not you made the right call.

An iron ore company

The problem [with companies](#) like **Champion Iron** ([TSX:CIA](#)) is that their valuations rely more on the demand of the underlying asset rather than the fundamental strength of the company itself. But that doesn't mean the stock moves completely in tandem with the global iron demand. Take Champion Iron's last five years as an example.

The stock spiked almost 167% from late 2016 to early 2017, almost 160% in 2019, and over 400% between the 2020 crash and 2021 spike. The stock is currently trading at a fraction of its recent peak, but there is optimism in the iron market, thanks to demand rising in China. If that becomes the trigger, the stock that's currently trading at a price-to-earnings multiple of just 3.5 might pull off another three-digit growth.

A REIT

Like most REITs, **Artis REIT** ([TSX:AX.UN](#)) is a great buy for its dividends. The REIT is currently offering a juicy 5.1% yield that's backed by a solid payout ratio of 22%. And that's after the REIT grew its dividends. The dividends are attractive for a reason beyond the yield, such as the fact that the REIT slashed its payouts by half in 2018.

If [the company](#) raises its payouts to reach its former level over the next few years, the prospect of the stock “popping” in the next month might get outshined. Still, the REIT is trading at a 10% discount from its pre-pandemic peak. And seeing as commercial activity is returning to normal (if the new variant doesn’t trigger another collapse), the stock might start rising aggressively in December.

A telecom company

The telecom sector is experiencing further consolidation, with the second-largest company in the process of buying the fourth one. The Montreal-based **Cogeco** ([TSX:CGO](#)), which is further down the “size” ranking in the telecom sector, might start getting offers from the other two telecom giants as they try and bring in more business through acquisition.

And a solid offer from a telecom giant might push Cogeco stock up. The company is a decent dividend buy right now, with its 3% yield, but if the stock is ready to pop, you may consider making a move as soon as you can to lock in the yield *and* take advantage of the growth (if it’s coming). The company has a decent presence in all three domains: phone, TV, and the internet.

Foolish takeaway

Finding an undervalued [growth stock](#) that can pop in the next few months might not seem like a good move from a conventional investment perspective (which recommends sticking to your investments for years, not months), but it has its uses. If the expected growth doesn’t occur within the requisite timeline, you may free up your capital to pursue other investments, usually at a very little cost.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AX.UN (Artis Real Estate Investment Trust)
2. TSX:CGO (Cogeco Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamohtman

2. kduncombe

Category

1. Investing

Date

2025/07/19

Date Created

2021/12/02

Author

adamothonman

default watermark

default watermark