Stocks Offering a 45-65% Discount: Where to Invest $1,000

Description

Profit booking, expected moderation in growth rates, and the emergence of the coronavirus Omicron variant is why some of the top TSX stocks have witnessed a correction in the recent past.

Given the decline in their prices, these shares are looking attractive at current levels and worth investing in for the long term. Let's look at why one should consider adding these stocks to their portfolio.

Air Canada

Air Canada (TSX:AC) delivered strong quarterly financials with stark improvement in revenues, operating capacity, and profitability. However, the new variant of the coronavirus led to selling in Air Canada stock. It's worth noting that Air Canada stock is trading near its 52-week low (down about 59% from its pre-pandemic levels) and looks like an attractive long-term investment.

While the newer variant of the coronavirus remains a drag, higher jet fuel costs could be another headwind for Air Canada. Nevertheless, I am upbeat about Air Canada's long-term prospects and expect it to benefit from the revival in leisure travel and corporate demand. Further, strong domestic demand and reopening of international borders support my bullish outlook.

Overall, the improving bookings, momentum in the air cargo business, and efficient cost management will drive Air Canada's financials in 2022 and, in turn, its stock price.

Well Health

Similar to Air Canada, **WELL Health Technologies** (TSX:WELL) stock has lost a significant amount of value. It's worth noting that WELL stock has dropped nearly 49% from its peak and is trading cheap. Profit booking and overall selling in the digital health sector are the reasons behind the selloff.

I see the recent weakness in WELL stock as a strong buying opportunity. I am bullish on WELL Health and expect it to benefit from the increased use of the digital platform in the healthcare segment. Its robust telehealth offerings and an extensive network of outpatient medical positions it well to capitalize on higher demand.

WELL is growing fast on the back of acquisitions and is delivering solid organic growth. Recently, the company announced that its virtual services are exhibiting strong organic growth. Further, WELL continues to invest in the business to activate further organic growth. WELL's high-growth business and low valuation make it a solid long-term bet.

Cineplex

Cineplex (TSX:CGX) stock has corrected nearly 64% from the pre-pandemic levels and is among the top recovery play. The resurgent virus continues to add uncertainty to Cineplex's earnings and, in turn, remains a drag on its stock price.

I believe Cineplex's problems are transitory and could abate soon amid the ongoing vaccination. I expect to see a recovery in its revenues and earnings, as the consumer demand returns to normal. It's worth noting that Cineplex's theatres and entertainment venues are open, and the company is witnessing an improvement in traffic.

Overall, recovery in demand, a strong slate of movies, its new subscription program, and improvement in earnings will drive Cineplex stock higher.

Bottom line

If you plan to put $1,000 in equities, consider buying these TSX stocks that are available at a significant discount. However, investors should take caution, as these stocks will likely remain highly volatile in the short term.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:CGX (Cineplex Inc.)
3. TSX:WELL (WELL Health Technologies Corp.)

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