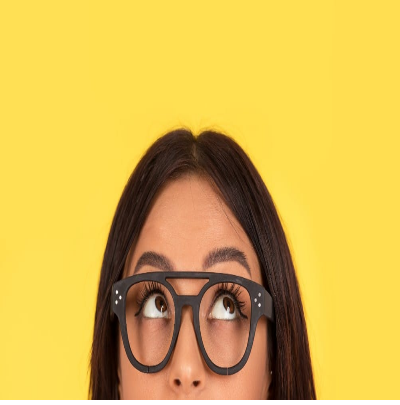

3 Undervalued and Discounted Stocks to Buy Before March

Description

At any given time, there is a healthy number of discounted stocks on the market. Even if you discard sector-wide slumps, there is still no shortage of discounted stocks. Then there are stocks that are both undervalued and discounted, which is not a rare combination, but the supply is limited to either of the individual pools. These stocks might be more promising than just undervalued or discounted stocks.

There are three such stocks that should be on your radar to buy in February.

An auto parts manufacturer

Martinrea International (TSX:MRE) is a mature business with a market capitalization of $817 million, which, while not dismissible, is in the lower half of small-cap. All the solutions it offers fall into one category: lightweighting, which makes vehicles lighter and more fuel-efficient. The company offers three solutions/services within this category.

The company has been financially quite healthy, at least in the past decade, and grew its net earnings in all years since 2010 except 2019 and 2020. It also pays dividends, and the current yield is 1.9%.

The stock is both discounted, as it has fallen about 36.5% since its post-pandemic peak, and it's also slightly undervalued, considering its price-to-earnings of nine. It's a cyclical grower, and by buying at its current price, you may be able to capture a lot of the upside it offers.

A crypto stock

Crypto stocks are in a rut (still) but not for long, as **Bitcoin** is already recovering at a decent pace. This means it might not be long before miners like **HIVE Blockchain** (TSXV:HIVE)(NASDAQ:HIVE) start following the charted course and go full steam ahead. The stock is already up by 22% from its lowest point in the last 12 months, but it's still 54% discounted compared to its recent peak.

So even if that's as high as it goes, the miner has the potential to more than double your money. And if history is any indication, the growth of stocks like HIVE is usually more pronounced than the underlying cryptos they are mining. The stock is also quite undervalued considering its price-to-earnings of 5.7 and a price-to-book of two, especially since it's a *tech* stock, where this valuation is quite rare.

A real estate company

Real Matters (TSX:REAL) has been in a rut for quite a long time. The stock peaked in Aug 2020, and since then, it has lost about 81% of its market value, which is quite alarming. The decline has been relatively steady. The stock is not as undervalued as the other two on this list. Still, it's definitely on the right side of "fair," especially if we treat it as a tech stock and not a real estate one, which it technically is, considering it's a platform.

The company has a presence in both Canada and the U.S., though its business across the border is far healthier. In the last quarter, its Canadian revenues only made up about 11% of the total.

The overall revenues and net income is slowly sliding down, but the network it has established and the client retention rate it claims might allow the company to turn things around. And if it reaches or exceeds its peak, you can grow your capital by more than five times if you buy now.

Foolish takeaway

The three heavily discounted and undervalued stocks have different timelines for recovery. HIVE is already on its way up, while Martinrea's cyclical nature makes it difficult to predict its growth cycle. Real Matters could start growing as early as next month, or it may languish in your portfolio for months before becoming profitable. So even if you are not buying right now, you may start tracking them for recovery patterns.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:MRE (Martinrea International Inc.)
2. TSX:REAL (Real Matters Inc.)
3. TSXV:HIVE (Hive Blockchain Technologies)

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Date
2025/08/21
Date Created
2022/02/23
Author
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