1 Wonderful Stock That Just Sunk to a New 52-Week Low

Description

Wonderful businesses at wonderful prices are hard to come by outside crisis conditions. With volatility and fear levels going off the charts, we could be entering an environment that could challenge the levels of fear experienced two years ago, when the COVID-19 crisis was just getting started. Sanctions, cyberwar, and other moves could entice Russia to act in an unexpected way. Indeed, nobody wants to think about the worsening of the war. But as an investor, it's vital to prepare your portfolio for any type of hailstorm.

In this piece, we'll have a look at one wonderful business that with shares that I view as modestly undervalued — no more; no less. So, whether or not the Ukraine-Russia crisis sends the S&P 500 into a bear market, the following plays, I think, are cheap right here and right now. Does that mean they can't get any cheaper? Definitely not. Any stock can get cheaper. As wonderful as the following plays are, they can always fall to bargain-basement prices, as most other investors liquidate their portfolios based on fear and panic.

Buying the dip is getting harder, as Nasdaq 100 flirts with a bear market

That's why it's a good idea to be a buyer gradually on the way down. With low (or no) commissions on trading, it's never been easier to average down in a wonderful business that you truly believe in. The long-term fundamentals matter more than the near term. Still, it's not easy to buy as others sell. Dollar-cost averaging (DCA) can help alleviate some of the pain. But when Mr. Market is marking down stocks violently, beginners may stand to doubt themselves. Indeed, investors can be wrong about a thesis. That's why homework and insistence on businesses that are easy to understand are the best buys for those keen on investing through this latest crisis.

If anything, we're in a double crisis with COVID and the Russian invasion of Ukraine, and the level of fear could mount further over the coming weeks. In any case, value seems likelier to hold its own here. Firms like **Parkland Fuel** (TSX:PKI) seem absurdly underpriced.

Parkland Fuel

Parkland Fuel is the Calgary-based owner and operator of fuel stations and convenience stores. The firm has struggled to bounce back from the COVID crash. While management has done their best to turn things around, PKI stock is back on the retreat, with PKI stock nosediving nearly 4% on Tuesday's session.

After acquiring gourmet frozen foods firm M&M Meat Shops, I think Parkland is on the right track. Still, EVs are coming, and with so much business derived from fuel retailing, many investors may be quick to take a raincheck on the name in spite of its solid fundamentals. Personally, I think Parkland is in great shape to recover from the ongoing crisis. Should the stock continue tumbling or retest its lows in the $22-25 range, I believe the company is an incredible takeover target. A $4-5 billion takeover by the likes of a larger convenience store consolidator seems plausible. In any case, I'm a huge fan of the business and think it's a great reopening play, whether or not it has a suitor.

A convenience store suitor in Couche-Tard?

I think another Canadian convenience store great, **Alimentation Couche-Tard**, should place a bid if the selloff in PKI stock intensifies. Couche-Tard has the balance sheet to make a big splash, and a Parkland deal seems like a great match, as the firms combine talents to move into the new age of convenience retail, one where EVs, not gas-powered vehicles will be rolling in!

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Date
2025/07/20
Date Created
2022/03/05
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