



## 1 Oversold Stock Poised to Bounce Back in the Second Half of 2022

### Description

There are a growing number of [bargains](#) on the **S&P/TSX Index** these days, with the broader market correction worsening ahead of rate hikes. Indeed, geopolitical uncertainties could sink the markets lower such that the **S&P 500** finishes the year in the red. In any case, investors should focus on what they do best. Not trying to predict the outcome of unpredictable macro events, but to value individual companies and purchase those that have a decent margin of safety. In times like these, when there's a considerable amount of fear and volatility, investors may see more stocks priced well below their intrinsic value. Such stocks should be bought, even if it feels like being in the market is to fall between a rock and a hard place.

In this piece, we'll take a closer look at one of the best value stocks [worthy](#) of picking up going into the latter half of March. Markets are severely oversold, and some stocks seem priced as though there's a high chance of a recession striking in 2022. The reality of the situation is the economy looks robust, with Canada posting around 337,000 jobs in the month of February. Unemployment has not been this low since before the COVID pandemic struck back in 2020. Although some consumers may be feeling the pinch of inflation, signs suggest that the economy is firing on all cylinders and could be ready to take the blow of more rate hikes than expected.

### Risks elevated; valuations dropping

As the Canadian economy continues out of the COVID recession depths, the real question is whether Ukraine-Russia tensions will send Canada right back into a recession after posting some of the most intriguing employment growth since the pre-pandemic days. Arguably, the likelihood of recession is growing, with the yield curve at risk of flattening and inverting at some point over the next few weeks. The inversion of the U.S. yield curve is a top recessionary indicator. I don't think that a flatter yield curve should be a source of panic for investors who are on the right track.

In this piece, we'll look at two incredibly cheap stocks that I think can weather another few rounds in the ring with a Mr. Market who's been throwing haymakers.

## Parkland Fuel

Shares of fuel and convenience retailer **Parkland Fuel** ([TSX:PKI](#)) has been under pressure for well over a year now, down 6% year to date and 31% from its pre-pandemic all-time high of \$48 and change per share. With the acquisition of premier frozen food firm M&M Meat Shops, consumers have more reasons to stock up the next time they fuel up at the local Parkland Fuel-owned gas station.

The \$5.2 billion company has plenty of baggage, and it's arguably not in the best shape to adapt to the rise of EVs, which could be accelerated the shocking spike in oil prices. Fuel prices are rocketing higher, and although that's not necessarily a negative for Parkland, it could increase the strength of longer-term headwinds. In any case, I think Parkland Fuel stock is too cheap to ignore, with the Street-high price target of \$55 pointing to over 50% gains to be had from the stock.

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