



## 3 Stocks That Are Absurdly Cheap Right Now

### Description

The 8.51% decline of the **TSX** in 30 days indicates the prevailing investors' sentiment. Canada's primary stock market index gained less than 1% in the last five days, but the momentum remains weak. On a year-to-date basis, energy and consumer staples are the only primary sectors out of 11 with positive gains.

Because of heightened uncertainties, many stocks across various sectors have experienced steep price drops. Thus, Canadians, including [newbie investors](#), can scout the market for bargain deals. One stock each from the financial, communication services, and real estate sectors trade at absurdly cheap prices today.

### Financial

**Canadian Western Bank** ([TSX:CWB](#)) is a strong buy, despite its underperformance. At \$25.96 per share, current investors are down 27.14%, but enjoys a 4.8% dividend. The bank stock suffered a severe correction in 2020 and fell to as low as \$14.54. However, it recovered swiftly from the pandemic's fallout, rising 87% to \$27.18 on year end.

During the Q2 fiscal 2022 earnings release, CWB president and CEO Chris Fowler said, "Our teams have built robust pipelines of full-service client opportunities that are already driving strong post-quarter growth." He also expects to achieve annual double-digit loan and deposit growth this year.

Fowler anticipates stronger growth in a rising interest rate environment. The multiple rate hikes in 2022 are significant tailwinds for next year.

### Communication services

As of this writing, **Corus Entertainment** ([TSX:CJR.B](#)) trades at only \$3.62 per share, or 21.88% lower than its 2021 year-end price. The \$734.85 million media and content company hasn't fully recovered from the pandemic, although signs are looking good.

In Q3 fiscal 2022 (three months ended May 31, 2022), total revenue from TV and radio segments increased 8% versus Q3 fiscal 2021. However, net income declined 27% year over year to \$29.62 million. Nevertheless, Corus's president and CEO, said Doug Murphy, "The diversity and resiliency of our business is evident with these results."

Market analysts covering Corus has a 12-month average price target of \$5.69 (+60%). The overall return should be higher if you were to include the 6.63% dividend.

## Real estate

**American Hotel Income Properties** ([TSX:HOT.UN](#)), or AHIP, was badly beaten in 2022 due to the COVID-19 pandemic. The \$259.85 million real estate investment trust (REIT) owns and operates premium branded, select-service hotels in the secondary metropolitan markets in the United States.

The good news for AHIP is the improving demand environment in the hotel industry. In Q1 2022, net income, rental revenue, and income from operating activities increased 17%, 32%, and 86% versus Q1 2021. This real estate trades at \$3.30 per share (-10.31 year to date) and pays a generous 7.4% dividend.

AHIP was a high-yield dividend stock in pre-pandemic. Unfortunately, the REIT had to stop paying monthly dividends in 2020 and 2021 due to business reversals. The board of directors could reduce or suspend payments again if operating conditions or outlook change.

## Investment prospects

CWB, Corus Entertainment, and AHIP are cheap investment prospects today. Investors who are new to the stock market can easily understand the nature of the businesses. However, the choice boils down to your risk appetite or which business can endure a recession and sustain dividend payments.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:HOT.UN (American Hotel Income Properties REIT LP)

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