2 TSX Stocks Under $20 That Could Soar

Description

The market correction has hurt many of our TFSA and RRSP investment funds. It's easy to get discouraged at a time like this and want to hit the sell button to avoid any further downside. There have been many bear market bounces over the past six months. With stocks turning south again this week, many beginner investors may be wondering, "Why bother staying invested? Why not just sell now and get back in when the negative momentum subsides a few months from now?"

It's tempting to wait for the volatility to settle before getting back in the market waters. However, by doing so, investors stand to miss out on sizeable rallies. Now, a V-shaped bounce may seem unlikely. The upside moves have proven unsustainable and very short-lived over the past few months. Many bounce buyers have been fooled (that's a lower-case *f*), and every time a relief rally happens, they doubt it. Eventually, a real bounce off the bottom will happen, and it could catch many investors off guard. It could be sharp and short-lived, and many may miss it if they think they can time their entries and exits from this market.

Don't time the market: Buy TSX stocks on sale

Instead of timing the market (it doesn't work), focus on nibbling on cheap stocks that are likely to find their feet over the coming 18 months. Don't focus on the broader market so much. Instead, discover cheap stocks that you'd be willing to hold through a storm en route to brighter days. That's how big money is made in markets. Nobody said it would be easy, fun, or pain-free. However, investors must be willing to endure short-term noise for long-term gain. That's the trade-off.

In this piece, we'll look at two under-$20 TSX stocks that are worthy buys, in my books.

Consider **Cineplex** (TSX:CGX) and **Air Canada** (TSX:AC), two fallen reopening stocks that have become so cheap that it's getting ridiculous.

Cineplex

Cineplex was a top contrarian "buy-for-a-bounce" stock that many gave up on over the past several months. With bums filling seats at an increasing rate, I'd argue that Cineplex has not looked this great since before the pandemic. The movie slate has been hot, and it could heat up further this summer, with films like Jordan Peele's *Nope*. Further, there's still a lot of pent-up demand to go out to see a movie. I think that's why many video-streaming firms have seen a drastic slowdown of late.

Cinemas are here to stay. And with intriguing value offerings like Cinepass, I'd argue that Cineplex is ready for a recession. With a free movie ticket and discounts on snacks at the concession, Cinepass makes for one of the best entertainment values out there. Indeed, Cineplex is back, and it's leaner than ever, with COVID restrictions hopefully gone for good.

Shares are off 79% from their all-time highs. At 0.8 times sales, the stock seems like a steal.

Air Canada

Air Canada is another reopening stock that begs for patience. The company recently partnered with Emirates to help give sales a bit of a jolt. In due time, the air travel industry will recover. And although Air Canada's international focus could work against it should the BA.5 variant cause outbreaks globally, I think the stock's valuation bakes in a lot of things that could go wrong.

At 0.7 times sales, AC stock is incredibly cheap, with a low bar set ahead of it.

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