



2 Bargain Stocks You Can Buy Today and Hold Forever

Description

Don't expect this volatile market to calm anytime soon. While high volatility is perceived as a negative to investors, it's a net positive to stock pickers with the courage to buy on dips and trim on pops. Remember, volatility implies huge down days and up days, making entries or exits much riskier for market participants. Miss one or two big days, and you're likely to be left behind. That's why staying the course is the best piece of [advice](#) a beginner could receive at a time like this, when markets don't know which way they want to go, but they want to head there quickly!

Amid the recent market swings, many market bargains have made an appearance, and they're more than worth picking up. Consider discretionary stocks, which have been punished furiously over the past few months in anticipation of demand destruction come the 2023 recession.

While a recession is much more painful for discretionary or retail stocks, it's noteworthy that a lot of recession- and rate-induced damage seems to be baked in at these levels. Further, the smart folks over at RBC Capital seem to think the coming Canadian recession will be a short-lived one. Indeed, the Bank of Canada can lift its foot off the pedal when needed. In any case, investors shouldn't expect talk of cuts anytime soon, because there are still a lot more hikes to be had before inflation is pulled back to a 3-4% range.

Currently, **Sleep Country Canada Holdings** ([TSX:ZZZ](#)) and **Leon's Furniture** ([TSX:LNF](#)) are great discretionary stocks that could have room to run once the market is ready to move on from this inflation-plagued environment. Discretionary companies tend to be the first to fold, but they also have the most room to run once the recession jitters inevitably come to an end.

Sleep Country Canada Holdings

Sleep Country stock slipped 42% from peak to trough before bouncing back to \$27 and change per share. The long-time sleep retailer sells everything, including mattresses, pillows, and sheets, and everything in between. Over the years, the sleep scene has faced increased competition from mattress-in-a-box rivals. Sleep Country has its own offering with its Bloom brand. The firm also acquired Canadian disruptor Endy in a deal that's looked to work out quite well.

Recently, the firm clocked in solid second-quarter (Q2) numbers, beating the Street. Adjusted earnings per share (EPS) came in at \$0.69 versus the \$0.57 consensus. With a sound balance sheet and a muted 10.0 times price-to-earnings (P/E) multiple, ZZZ stock is a name investors will want to own before it has a chance to awaken!

Leon's Furniture

Leon's, a Canadian furniture retailer behind The Brick, is fresh off a 41% plunge. That kind of crash has "recession" written all over it. Fortunately, I think the band-aid has been ripped off, and LNF stock can march higher now that expectations are muted for its coming quarters.

The stock is up 20% from its recent low, thanks in part to the market's big breath of relief. At a 1.4 times price-to-book (P/B) multiple, which is below the industry average of 1.9 P/B, Leon's is close to the [cheapest](#) it's been in a long time. The swollen 3.6% dividend yield is more than worth grabbing for investors looking to play the next discretionary spending boom that may be quick to follow the end of the bear market.

Insiders have been eating their own cooking, with more than \$3.6 million in net buying over the past few months alone. Leon's stock isn't just cheap; it's ridiculously cheap.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:LNF (Leon's Furniture Limited)
2. TSX:ZZZ (Sleep Country Canada)

PARTNER-FEEDS

1. Business Insider
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3. Koyfin
4. Msn
5. Newscred
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Date

2025/08/13

Date Created

2022/08/26

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