



2 Overlooked Stocks That Smart Investors Aren't Dismissing

Description

Things are starting to get choppy again, with the recent market rally off the bottom running out of steam. The S&P 500 is back in a bear market (that's a 20% plunge from peak to trough), and the bears are out in full force, calling for new lows to be hit at some point over the coming months. Indeed, it's not easy to be an investor when you have wise people at the big banks calling for more pain in markets.

While there's no denying the talents of said bearish pundits, you must remember that nobody can see what lies ahead. It's impossible to tell the future, even if you've interpreted every macroeconomic data correctly. Sometimes, surprises happen, and not just in terms of exogenous shockers but reactions to events. A bad event can be met with a rally and vice versa. The recent consumer price index numbers in the U.S. were cooler than expected. Still, the rally didn't last. And we'll now be looking at lows not seen in many weeks if markets can't claw back into year's end.

While it's good to see what the top market strategists are up to, investors shouldn't overreact to any short-term calls. Remember that strategists have lowered their S&P 500 targets gradually throughout the year. Indeed, many of these same analysts expected that 2022 would be a decent year for market returns.

Nobody can see the future: Take short-term market calls with a grain of salt

Now that the bear market is in, it's pretty convenient to lower one's target. It's always easy to change one's mind after the fact. Unfortunately for investors, there are no profits to be had in doing such. Following momentum in either direction tends to be a bad idea if you're a long-term investor with a retirement plan that's already set. Don't treat a plan as set in stone, but don't change things just because someone on Wall Street is telling you that more pain is ahead.

There could be more pain ahead, but there may also be ample relief. It's impossible to tell here. So, that's why I'd urge investors to consider where we stand in the grander scheme of things. Stocks are modestly priced here and could make for terrific buys if you've committed to holding for the long run.

Take the mid-cap space, which, I think, holds tremendous bargains. **Badger Infrastructure Solutions** ([TSX:BDGI](#)) and **Quebecor** ([TSX:QBR.B](#)).

Badger Infrastructure sinks

Badger's a \$870 million infrastructure company that provides soil excavation services to a broad range of customers. The company owns a fleet of trucks that use hydrovacs to dig in a "non-destructive" way. When it comes to digging up pipelines, disrupting the ground as little as possible is key. It's no coincidence that the Calgary-based company serves mainly oil and gas firms.

The stock is down 48% from its peak, with a 2.6% dividend yield. Though the firm had margin issues weighing on results, I think the stock is absurdly undervalued as the name looks to retest 2020 lows in the \$20 range.

At 2.9 times price to book and 9.6 times price to cash flow, Badger is a relative [bargain](#) for those seeking value from every dollar.

Quebecor flops

Quebecor ([TSX:QBR.B](#)) is a Quebec-based telecom that has grand ambitions to disrupt the Big Three national telecom leaders. To do so, Quebecor will need to spend a lot of money. Whether such spending decays the firm's solid return on invested capital over time remains to be seen.

For now, investors aren't [fans](#) of such growth endeavours. The stock has gone virtually nowhere for around four years now. With a 4.36% dividend yield, though, investors have a lot to gain with the \$6.36 billion telecom underdog before it embarks on a journey that could unlock next-level dividend growth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
2. TSX:QBR.B (Quebecor Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. joefrenette
2. kduncombe

Category

1. Investing

Date

2025/08/14

Date Created

2022/12/20

Author

joefrenette

default watermark

default watermark