2 Bounce-Back Plays for Young TFSA Investors

Description

Tax-Free Savings Account (TFSA) investors should be cautious when going on the hunt for bounce-back plays. Many of the fallen hyper-growth stocks of 2022 will likely take many years to climb out of the holes they fell in. Still, if you're a young, brave investor who knows what they stand to gain (and risk) with potential deep-value stocks, I'd not hesitate to nibble away at the many battered plays in this market.

Bounce-back candidates to entertain your TFSA?

In this piece, we'll have a closer look at two firms that could be in for considerable relief once macro headwinds finally have a chance to blow over. Undoubtedly, the following names are dangerously volatile, making a dollar-cost averaging approach (DCA) a safe method to inching into a name without feeling the full force of the steep pullbacks each name is capable of.

Without further ado, let's consider **Cineplex** (TSX:CGX) and **Corus Entertainment** (TSX:CJR.B).

Cineplex stock: Down 29% over the past year

Cineplex is a cinema giant that's been in a horrid bear market for more than six years now. The glory days of Cineplex saw shareholders get the perfect mix of income and growth.

Indeed, the rise of streaming led to the demise of CGX stock. The pandemic seemed to be the nail in the coffin. Still, Cineplex is still standing, thanks to the many moviegoers who continue to enjoy the viewing experience of the silver screen. Indeed, it's tough to match the experience of going to a movie.

With COVID-19 still out there, a rich library of content conveniently available via streamers, and the pinch of macro headwinds, the case for streaming over going to the movie continues to be quite weak. Sure, Cineplex's Cinepass and Scene+ program have made movie-going a less wallet-hurting night out. Still, CGX stock can't seem to catch a break — now at $8 and change per share.

More recently, Cineplex inked a distribution deal with Lionsgate. The deal could help tilt the odds back in Cineplex's favour, as the content slate looks to improve through the year.

Corus Entertainment: Down 55% in the past year

For those seeking deeper value, Corus Entertainment looks intriguing. Like Cineplex, the stock has been stuck in a rut for many years. And with few catalysts to help it fly higher, the stock continues to be a really difficult name for most investors to hold.

At 3.17 times trailing price-to-earnings, the stock seems like a steal. But headwinds continue to mount for the firm that found itself on the wrong side of a secular trend away from cable TV. Ad revenues have already weighed amid the macro slowdown.

Indeed, TV ads could recover on the other side of the recession. In the meantime, Corus stock seems much hated. For true contrarians, though, CJR.B may be a worthy pick-up at these depths while the stock is trading at $2 and change.

CATEGORY

1. Investing

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1. TSX:CGX (Cineplex Inc.)
2. TSX:CJR.B (Corus Entertainment Inc.)

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