

Beaten Down Stocks to Consider Now

One of the best ways to spot opportunity is to hunt for temporary weakness.

In fact, it's how some of the most famous investors made their money. As Sir John Templeton would say, "Buy at the point of maximum pessimism."

Here are three to check out.

Anavex Life Sciences (AVXL)

While the stock recently pulled back, use the weakness as opportunity. Near-term, we'd like to see AVXL break from consolidation and potentially test prior highs near \$30 with two catalysts.

One, the company already "announced that it exceeded its enrollment target for the confirmatory late-stage ANAVEX® 2-73 Phase 2b/3 randomized, double-blind, placebo-controlled trial in Alzheimer's disease. The Company expects to announce topline results from this study by 2H 2022," as noted in a company press release.

Two, Anavex announced that preclinical data of ANAVEX® 2-73 in Fragile X Syndrome were published in the peer-reviewed journal, *Scientific Reports*, as also noted in a company release.

"Fragile X Syndrome (FXS) is the most common form of inherited intellectual disability and the most frequent single gene cause of autism spectrum disorder with an estimated population of approximately 62,500 in the US and 1,088,500 worldwide. At present, there is no approved treatment for Fragile X Syndrome," they added.

They also added, "The study evaluated doses of ANAVEX 2-73 in *Fmr1* knockout mice, a validated animal model for the disease, which resulted in the reversal of hyperactivity and restoration of associative learning as well as reduction in anxiety-like and perseverative behaviors."

Activision Blizzard (ATVI)

We'd use weakness as an opportunity here, too.

For one, the stock is technically oversold. After gapping from about \$91 to \$80, the stock found solid support, and could easily refill its gap, near-term. Analysts at Citi are just as bullish, upgrading the stock to a buy rating with a price target of \$105.

Two, video game sales show no signs of slowing.

According to Gamespot.com, "U.S. video game spending in the second quarter of 2021 has increased 2% to \$14 billion over the same period in 2020. According to the NPD Group, overall consumer spending on video games for April to June 2021 totaled \$14 billion, a small increase over last year's massive numbers, which were boosted by the pandemic."

Lithium Americas (LAC)

The lithium bull market is far from over.

For one, countries around the world are pushing for millions of electric vehicles to hit the roads. Two, according to a new study by Ernst & Young, electric vehicles will outpace combustion engines in the next 12 years, according to The Street. "By 2045, non-EV sales were seen plummeting to less than 1% of the global car market."

With that, all will boost the need for far more lithium supply.

However, the world is running short of supply, which could fuel a good deal of upside for lithium prices and related lithium stocks.

It's another reason investors may want to consider lithium stocks, such as Lithium Americas.