



Today's Top 3 Unloved High-Growth Canadian Stocks

Description

One of the things Canada is best known for in terms of its stocks is undervaluation in lucrative sectors. It's well known that an investor can pick up some real bargains, be they financials, utilities, miners, or infrastructure stocks.

While this is due to a number of factors, not least of which is investors jumping on the bandwagon, the fact is that some great quality stocks can be had for a fraction of their real value.

Below are four stocks that are currently going cheap. You'll find a breakdown of valuation based on comparisons with future cash flow values, earnings, growth, and assets.

What these stocks all have in common, aside from undervaluation, is that they are all looking at high growth in future earnings. So, if you like stocks that trade at a deep discount but you are also looking for some growth, read on.

Alacer Gold (TSX:ASR)

Turkish gold would make an exotic addition to your growth-focused portfolio this fall, with some great value to be had, as well as a lot of growth.

Never mind the [Lira woes of the summer](#) – this stock is here to stay. It's discounted by more than half its future cash flow value, with that great value underlined by a low P/E ratio of 8.6 times earnings.

In terms of outlook, Alacer Gold is looking at a 35.9% expected annual growth in earnings over the next one to three years, which definitely puts it into the unloved high growth category.

Alacer is currently seeing a downward trend in its share price after a spike in the summer. That high growth is also underpinned by a low debt level of 37.1% of net worth.

Atalaya Mining (TSX:AYM)

If you want a European play, this is your best bet right now. You know that you are getting good value

for money with this stock right off the bat, as it's discounted by more than 50% of its future cash flow value; this is confirmed by a P/E of 10.8 times earnings.

A 41.3% expected annual growth in earnings over the next 1-3 years really marks this stock out as a pick for growth investors.

In terms of trend, Atalaya Mining's share price is back on the up, so if you want to get that discount you'd better act fast. Atalaya Mining also holds no debt, so it's great for the risk-averse investor.

Guyana Goldfields (TSX:GUY)

If South American gold is your thing, try this stock that is currently discounted by 47% of its future cash flow value. A low P/E of 13.9 times earnings backs up this valuation, while a whopping 42.5% expected annual growth in earnings over the next couple years makes for a great choice if you are into growth stocks.

The trend of this stock's share price may be starting to recover after falling off a cliff in mid-July. Momentum investors still have some time to buy low, however.

For those of you who may want to hold for the mid to long-term for the biggest capital gains, a low debt level of 12.9% of net worth may twist your arm.

The bottom line

It's telling that all three stocks listed here are related to [natural resources](#). While this suggests that investors are staying away from anything that comes out of the ground at the moment, the fact is that miners in particular are seeing a lot of speculation at the moment; it is also true that a lot of bargains in this industry can be had right now.

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