Don't Miss Out: 3 Ridiculously Cheap Stocks to Buy Today

Description

Many investors are convinced markets are on the cusp of going much lower. They point at factors such as high price-to-earnings ratios and the fact we're about due for a long-term bear market. What goes up must inevitably come down.

I've always thought these whole market valuation exercises were lazy. I'm the first to admit the whole market looks expensive. But that doesn't mean there aren't cheap stocks out there. Plenty of reasonably priced stocks are just waiting for your investment dollars.

The best part? These cheap stocks also come with better capital appreciation potential as they work through temporary problems.

Here are three of Canada's cheapest value stocks.

Cineplex

Cineplex (TSX:CGX) shares have gotten crushed since hitting a high of just over $53 each in April 2017. They're down more than 30% since to today's level of $36.

The stock is poised to go much higher. Box office numbers — which were weak throughout 2017 — have recovered nicely thus far in 2018. The company continues to successfully push through price increases on its concession items, showing Canadian moviegoers just can't resist the smell of popcorn. And its ancillary businesses like the Rec Room and TopGolf are ramping up expansion plans.

Investors are also getting paid a 4.8% monthly dividend, which is a nice consolation prize while waiting for the stock to go higher.

Cineplex doesn't appear cheap at first glance. Shares trade at 22 times forward earnings. But keep in mind the company is growing and it has near-monopoly status over Canada's movie theatre business. That is an enviable position to be.

Laurentian Bank

The Big Five Canadian banks get all the attention. When we look past these behemoths, we find some incredibly cheap competitors.

Laurentian Bank (TSX:LB) is one of the country's cheapest stocks. Shares trade at just 7.8 times trailing earnings, with analysts expecting a similar earnings number next year. The company also trades at a significant discount to its book value.

If shares traded at a similar price-to-earnings valuation as another Quebec-based bank, **National Bank of Canada**, we're looking at a share price above $60. That's an upside potential of 44%.

Laurentian Bank also pays a succulent dividend of 6.1%. With a payout ratio hovering around 50% of earnings, investors don't have to worry about a cut. Heck, Laurentian Bank has raised its payout each year since 2007.

Shaw Communications

Shaw Communications (TSX:SJR.B)(NYSE:SJR) is in the middle of a transformation away from cable and into wireless. This move will weaken profits in the short term, but should result in a much more sustainable company for decades to come.

The stock recently flirted with fresh 52-week lows, which makes today a good buying opportunity. Shares trade at a reasonable 17.4 times earnings expectations, which is cheap considering Shaw's greater growth potential versus other wireless companies. The company's Freedom Mobile division still has loads of potential. The wireless division could easily double revenue over the next five years.

Like the other stocks mentioned, Shaw pays investors a nice dividend while they wait for their shares to appreciate. The current payout is 4.8%.

The bottom line

Canada is filled with great stocks trading at low valuations. You just have to hunt a little to find them. Shaw Communications, Laurentian Bank, and Cineplex are just a few of the cheap stocks available today.

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1. NYSE:SJR (Shaw Communications Inc.)

2. TSX:CGX (Cineplex Inc.)
3. TSX:LB (Laurentian Bank of Canada)
4. TSX:SJR.B (Shaw Communications)

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