2 TSX Index Stocks That Still Look Cheap After January's Bounce!

### Description

The January rally was nothing short of remarkable. It was the best run for the S&P 500 in over three decades, and although it's tough for many not to get overly euphoric on the recent recovery, Foolish investors would be wise to continue being "cheap" when it comes to the prices they'll pay for stocks.

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At the time of writing, the TSX index is 5.5% from all-time highs and up 13.5% from the December lows. If you hesitated on the Christmas Eve plunge, you missed out on a heck of a buying opportunity, and while a majority of stocks are substantially more expensive today than just over a month ago, there are still bargains that are scattered around the TSX index. And it's these laggards that may end up being your best bets if you missed your chance.

Without further ado, here's a brief look at two names that still appear severely undervalued.

## Enbridge (TSX:ENB)(NYSE:ENB)

Enbridge stock, like many other TSX constituents, posted double-digit gains over the last month. Although the move was remarkable, the stock is still off 25% from peak levels reached in 2015.

The stock trades at a 18.7 forward P/E, and a 1.9 P/B, both of which are lower than the company's five-year historical average multiples of 59.2 and 3.5, respectively. With a 6.2% yield to go with 10% hikes on the schedule over the next few years, I think it'd be a smart idea to acquire shares today, as you wait for the medium-term catalysts to propel the company out of its multi-year funk.

## Shaw Communications (TSX:SJR.B)(NYSE:SJR)

Shaw, like Enbridge, has enjoyed a slight bounce of late but is still just off a multi-year low. With a 4.4% yield and a more attractive growth profile than that of the Big Three incumbents, Shaw is a rare investment that can provide investors with the best of both worlds in the form of big capital gains and a fairly high dividend yield.

Freedom Mobile is Shaw's growth weapon, and although it'll take many more years before the inferior wireless carrier is at the same level as the Big Three, I believe the subscriber growth metrics will dwarf that of the Big Three, all of which may be close to peak subscribers.

Shaw may not seem cheap with its 19.8 forward P/E, but when you consider the highly disruptive, low-risk wireless growth potential behind the company's wireless business, it becomes clear that Shaw is a bargain that's unlike anything that's out there.

## Foolish takeaway

Despite the big run in the markets, both Enbridge and Shaw remain cheap stocks with what I believe are relatively wide margins of safety. If you like dividends and growth at a fair price, you cannot go wrong with either name as we hover around the midpoint between the 52-week highs and lows.

Stay hungry. Stay Foolish.

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