# TSX Sale! 4 High-Quality Canadian Stocks Going Cheap

## Description

Four sturdy Canadian stocks trading at or below their book value get their stats sifted in today's round-up of bargain tickers. From auto to tech to financial products, the following selection could be a diversified TSX index mini-portfolio — or one big danger zone. Let's scour the market fundamentals and find out.



## Manulife Financial (TSX:MFC)(NYSE:MFC)

A top TSX index financial services stock with some geographical diversification, Manulife Financial had a good 2018, with an impressive one-year past earnings growth of 138.1%. Undervaluation matched with a tasty dividend yield of 4.4% makes Manulife Financial a good pick for a TFSA, RRSP, or RRIF, while an 11.2% expected annual growth in earnings is good for a Canadian financial stock.

With near-threshold debt at 41% of net worth, this stock is healthy enough to hold for the long term. It's potentially undervalued, too, with a P/E of 9.7 and P/B of 1.1 coming in under the market average. More shares have been bought than sold by Manulife Financial insiders in the last few months, making for a confident play.

## Martinrea International (TSX:MRE)

An international auto parts stock moderately fit for a TSX index investor looking to pad out a TFSA or RRSP, a small dividend yield of 1.3% is on the table, with a 13.2% expected annual growth in earnings on the way. Undervalued with a 48% discount off the share price, Martinrea International looks like a bargain today.

With a solid track record (from its one-year earnings-growth rate of 16.5% to its half-decade growth of 34.5%), more shares have been snapped up than scrapped by Martinrea International insiders in the last three months — indeed, throughout the whole past 12 months.

## Celestica (TSX:CLS)(NYSE:CLS)

A hardware and supply chain stock in one, Celestica is one of the best Canadian tech stocks to buy for a moderate growth portfolio (see a 17.9% expected annual growth in earnings). Unusually for a TSX index tech stock, it's also potentially undervalued at the moment, with market fundamentals coming in under the averages.

However, there are a few red flags here, from a so-so balance sheet indicated by above-threshold debt to a matching track record characterized by negative one- and five-year past earnings-growth rates. Meanwhile, Celestica insiders have only sold shares in the last three months.

## Transcontinental (TSX:TCL.A)

Bringing geographical diversification to the table with the kind of aplomb that only a passive-income TSX index stock with low multiples can, Transcontinental is suitable for a North America-weighted portfolio. A five-year average past earnings growth of 24.7% shows that this packaging and printing stock is generally solid in terms of earnings.

A low P/E of 8.3 is matched with a decent P/B of 0.9, while a dividend yield of 4.89% makes it a buy for value investors. This stock would pair nicely with Martinrea International to form a solid consumer, cyclical tag team.



## The bottom line

One of the best cheap stocks on the TSX index, Martinrea International is trading at book price with a P/E ratio of 6.4. Transcontinental would be a strong buy, though its debt level of 89.4% of net worth may be a concern to the strictly risk averse, and passive-income investors may seek more growth than its 5% expected annual rise in earnings.

**CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners
5. Tech Stocks

**POST TAG**

1. Editor's Choice

**TICKERS GLOBAL**

1. NYSE:CLS (Celestica Inc.)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:CLS (Celestica Inc.)

4. TSX:MFC (Manulife Financial Corporation)
5. TSX:MRE (Martinrea International Inc.)
6. TSX:TCL.A (Transcontinental Inc.)

**PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

**Category**

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners
5. Tech Stocks

**Tags**

1. Editor's Choice



**Date**
2025/06/28
**Date Created**
2019/03/08
**Author**
vhetherington