



## 3 of the Cheapest Canadian Stocks to Buy Today

### Description

It's no secret that when it comes to investing, the name of the game is buying low and selling high.

Because of that, cheap stocks are some of the most sought-after companies for investments, as they are already trading at a low price for investors.

You have to be careful though, when looking for cheap stocks, as often times companies are trading cheap for a reason.

When you do find stocks that you are confident in, they can present a huge long-term opportunity so you won't want to wait long to grab exposure, or you could risk losing the discount in the shares.

Three of the cheapest stocks you can buy on the TSX today are **Chesswood Group Ltd** ([TSX:CHW](#)), **Plaza Retail REIT** ([TSX:PLZ.UN](#)), and **Canadian Western Bank** ([TSX:CWB](#)).

### Chesswood

Chesswood Group is a specialty finance company that provides leasing and finance services for small and medium-sized business across North America.

Its stock is trading extremely cheap as the market's concern over its loan book continues to grow, anticipating some potential upcoming trouble with economic conditions.

The company though has shown no reason to doubt it, consistently earning a 15% return on equity as it grows and expands its businesses.

Investors looking for cheap stocks should start with Chesswood first as the opportunity is one of the best.

The stock trades at just an 11.7 times price to earnings ratio and its dividend, which has a payout ratio of 95%, yields a whopping 8.2%, making the stock extremely attractive for investors, especially with a

long-term investing horizon.

## Plaza REIT

Plaza REIT owns a portfolio of over 275 properties and more than 8 million square feet of leasable area all across Canada, but predominantly in the eastern provinces.

The fund aims to grow the value of its assets while simultaneously providing a growing dividend yield in order to return cash to investors.

The company has more than 20 years of experience and it shows when you look at the numbers.

For the first three quarters of 2019, Plaza REIT was able to grow its adjusted funds from operations per share (one of the most important metrics in real estate) by more than 20%.

This has helped to make its dividend even more sustainable, now at a payout ratio of just 77% compared to the year prior when the payout ratio was nearly 100%.

The dividend yields more than 6% today and the fund is trading at a price-to-earnings ratio of less than 11 times, giving it a highly attractive valuation for long-term investors seeking real estate exposure.

## Canadian Western Bank

Canadian Western Bank is a bank that serves Western Canada and its goals are to create long-term value for shareholders by providing a strong and quality service to its customers over its growing geographic footprint.

The stock has taken some heat over the last few years, first with worries over Vancouver's housing market and then more recently with the tough economic situation going on in Alberta.

Canadian Western Bank though, is not as exposed as the market first thought, and where the bank is exposed it's done a brilliant job to minimize its risk.

It's consistency in business is a lot like Chesswood Group's, due to its long-term track record of earning at least a 10% return on equity.

The stocks are valued similarly too, with Canadian Western Bank currently trading at a price-to-earnings ratio of just 11 times, making it one of the [cheapest bank stocks](#) you can buy.

While the company doesn't pay out as much in earnings as Chesswood, as it retains more cash flow to invest in its growth, the dividend still yields more than 3.3%. You can expect Canadian Western Bank to continue to grow the dividend each year.

## Bottom line

To find some of the most undervalued companies on the TSX investors are going to have to go against the market, picking up stocks that have been unloved for one reason or another.

The number one thing to remember is that if the stocks aren't high quality, it doesn't matter how cheap they are trading for. It's paramount that investors do their due diligence before pulling the trigger on any stock that the market is severely undervaluing.

## **CATEGORY**

1. Dividend Stocks
2. Investing

## **TICKERS GLOBAL**

1. TSX:CHW (Chesswood Group)
2. TSX:CWB (Canadian Western Bank)
3. TSX:PLZ.UN (Plaza Retail REIT)

## **PARTNER-FEEDS**

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