



TSX Stocks: 3 UNDERVALUED Canadian Titans to Buy Today

Description

Despite the recent rally, some Canadian bigwigs are still trading at a notable discount against their fair values. These attractively valued **TSX** stocks offer greater stability and decent growth potential for the future.

Let's take a look at three such Canadian titans.

Top TSX stocks: TC Energy

Energy midstream giant **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is one such stock. Its reliable dividends and discounted valuation make it a striking bet for long-term investors.

Though in the energy business, TC Energy is not much exposed to volatile oil and gas prices. Thus, its earnings are relatively stable, which ultimately makes its dividends stable. TRP stock currently yields 5.4%, notably higher than that of broader markets.

It has also managed to increase its dividends by 9% compounded annually in the last five years. It will likely continue to follow a similar dividend growth, mainly due to its stable business model and visible earnings growth.

One of the major energy pipeline operator TC Energy will report its second-quarter earnings on July 30. Based on analyst estimates, it is expected to do relatively better on both revenues as well as on earnings front compared to peers.

TC Energy stock has been trading largely flattish for the last three months. Notably, it is currently trading at a forward price-to-earnings valuation of 14 times. This is a considerable discount compared to peers as well as its own average historical valuation.

Canadian Utilities

Investors generally see utility stocks as boring because of their slow stock movements and unexciting business model. However, they stand tall when it comes to stability and dividend reliability. One undervalued utility stock Canadian investors can consider is **Canadian Utilities** ([TSX:CU](#)).

It is trading at a valuation of 14 times its 2020 earnings, which is much lower against its peer utility stock **Fortis**. Besides, Canadian Utilities stock yields beyond 5.1%, against Fortis' 3.6%. CU has increased its [dividends](#) for the last 48 consecutive years, the longest streak of any Canadian company.

Canadian Utilities is a diversified utility that operates in electricity generation, transmission, and distribution. It also operates in energy storage and as a natural gas and water utility. Notably, it generates 95% of its earnings from regulated operations, which facilitates long-term stability.

Kirkland Lake Gold

Kirkland Lake Gold (TSX:KL)(NYSE:KL) is one of the country's biggest gold miners. Gold miner stocks have already been on an uptrend on the back of higher gold prices. Interestingly, the trend might continue, and gold miners will likely maintain their upward momentum.

[Kirkland Lake Gold](#) is expected to report its Q2 earnings on Wednesday. Analysts expect significant growth in its revenues and earnings in Q2 compared to the same quarter last year.

Higher realized gold prices will likely boost its profits for the quarter. Its discounted valuation indicates room for growth rather than a potential downside.

Kirkland Lake Gold has been a massive wealth creator for its shareholders in the last few years. The stock has returned more than 500% in the last three years, beating many TSX mining giants.

Rosy outlook for the yellow metal and Kirkland Lake Gold's discounted valuation at the moment make it an attractive investment bet for long-term investors.

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2. TSX:CU (Canadian Utilities Limited)
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Date

2025/08/25

Date Created

2020/07/27

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