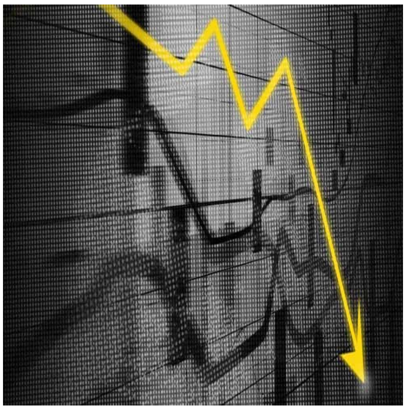

Market Crash: 3 Undervalued Stocks to Buy Today

Description

In early August, I'd discussed how Canadians could protect themselves against a potential market crash. Stocks for companies that offer essential services are particularly attractive. These companies established their importance during the COVID-19 crisis. Today, I want to look at three stocks that look undervalued in the final days of August.

Market crash: Why I'm still bullish on this dividend stock

Canadians should seek exposure to the renewable energy space early and often to start this decade. Renewables posted impressive growth in the 2010s. Investors can expect to see green energy producers increase their overall share of power generation even more over the course of this decade. Moreover, many renewable energy stocks are reliable and pay nice income. This is perfect for those worried about a market crash.

Polaris Infrastructure (TSX:PIF) is a Toronto-based company engaged in the acquisition, development, and operation of renewable energy projects. Its shares have increased 22% in 2020 as of close on August 21. In Q2 2020, the company saw total revenue rise to $18.9 million compared to $17.2 million in the prior year. Cash flow from operations climbed to $10.8 million over $9.1 million.

The stock last possessed a price-to-earnings (P/E) ratio of 8.3 and a price-to-book (P/B) value of 0.8. This puts Polaris in very attractive value territory relative to industry peers. Moreover, it offers a quarterly dividend of $0.15 per share. This represents a strong 5.5% yield. Polaris is a stock that can weather a potential market crash.

One healthcare stock I'm hanging onto forever

Healthcare stocks have attracted considerable attention in the face of the COVID-19 pandemic. Few companies offered the timely services that **VieMed Healthcare** (TSX:VMD)(NASDAQ:VMD) did this year. The company is a top supplier of in-home medical equipment, with a focus on ventilators. VieMed stock has surged since the market crash in the late winter and early spring.

In June, I'd discussed VieMed's amazing spring run. Shares have climbed 82% in 2020 so far. Adjusted EBITDA soared 296% year over year to $16.3 million. VieMed projected net revenues between $31 million and $35 million in Q3 2020. It expects $6.8 million to $9.8 million in revenue generation due to the pandemic.

VieMed has proven to be a healthcare star after the market crash earlier this year. Even without the crisis providing a boost, this is a stock that is worth holding for the long term. Shares last had a favourable P/E ratio of 16.

This stock can protect your portfolio in a market crash

Canadian Western Bank is a regional Canadian bank. Its shares have increased 15% over the past three months. The bank put together a solid second quarter in the face of major headwinds. Revenue rose 2% from the prior year to $214 million.

The stock last had a very desirable P/E ratio of eight and a P/B value of 0.7. Canadian Western has an excellent balance sheet and has delivered dividend- growth for over 25 consecutive years. It last announced a quarterly dividend of $0.29 per share, representing a solid 4.8% yield. The previous market crash offered a great chance to add Canadian Western at a 52-week low. Fortunately, the bank stock is still undervalued today.

CATEGORY

1. Coronavirus
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