



## TSX Stocks Trading at a 20% Discount: Where to Invest \$5,000 Today

### Description

With a global pandemic wreaking havoc on the Canadian economy, it shouldn't come as a surprise to hear that stocks are trading at a discount. To be clear, though, not all stocks are on sale.

Certain industries have fared far worse than others. Banks stocks have trailed the broader Canadian market since the beginning of the year, while many tech stocks have surged to all-time highs.

The **S&P/TSX Composite Index** was up 5% on the year before it started tanking in the last week of February. The pandemic caused one of the largest drops on record in a one-month span. The previously mentioned index dropped close to 35% in just one devastating month.

The bears may have had their fun for a month, but it's been an incredible bull run since the last week of March. Since March 23, the Canadian market is up an incredible 45%. But even with a 45% run, there are still plenty of stocks trading far below where they began the year.

### Where to invest \$5,000 today

With a bull run in full force, investors might be wondering where they should be putting their hard-earned cash to work today. As hot as the tech sector has been, there's no need to frantically chase market leaders like **Shopify** to earn great returns over the long term.

I've covered two companies that have not enjoyed the same types of gains that the Canadian market has over the past seven months. **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) are both down 20% on the year, but I believe either stock would be a wise addition to a long-term investment portfolio at today's prices.

### Toronto-Dominion Bank stock

Sitting behind only the **Royal Bank of Canada**, TD is Canada's second-largest bank. The bank's market cap is valued at \$110 billion today.

It's been a rough year for each of the Big Five banks, most notably for TD. The Toronto-headquartered bank is down close to 20% on the year, in comparison to RBC, which is down just over 5%.

The unexpected drop in interest rates this year has caused a lot of short-term pain for the major Canadian banks. To make matters worse, it is still very unclear as to when interest rates will even return to a place similar to where they began the year.

Short-term investors likely would take a hard pass on investing in TD today. Long-term Foolish investors, however, have the luxury of buying and holding for however long they'd like. And at these prices, value investors will have a hard time ignoring a major Canadian bank stock that's more than doubled the returns of the Canadian market over the past decade.

Today, TD trades at a [very reasonable](#) forward price-to-earnings ratio of 10.8.

## BlackBerry stock

It's been a great year for the tech industry, but BlackBerry must have missed the memo. The company has seen its share price drop by almost 25% since the beginning of the year.

For investors that haven't been following BlackBerry for the past several years, it's no longer in the ultra-competitive smartphone industry. Today, the tech company is ranked as one of the most trusted AI-cybersecurity companies in the world.

BlackBerry might not have the same type of market-beating growth track record that TD has over the past decade, but the cybersecurity industry is expected to grow far faster than the banking industry over the next 10 years.

Through both internal growth and recent acquisitions, BlackBerry has put itself in a prime position to return to market-beating growth levels. The stock likely won't be trading back above \$100 any time soon, but there's a strong case to make that this tech stock could very well [outperform the Canadian market](#) over the next 10 years.

### CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

### POST TAG

1. Bank stocks
2. blackberry
3. blackberry stock
4. Editor's Choice
5. TD Bank

6. TD Bank Stock
7. tech stocks
8. value stocks

## TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BB (BlackBerry)
4. TSX:TD (The Toronto-Dominion Bank)

## PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

## Category

1. Bank Stocks
2. Investing
3. Tech Stocks

## Tags

1. Bank stocks
2. blackberry
3. blackberry stock
4. Editor's Choice
5. TD Bank
6. TD Bank Stock
7. tech stocks
8. value stocks

## Date

2025/06/28

## Date Created

2020/10/20

## Author

ndobroruka

default watermark

default watermark