



Stocks at a 20-25% Discount: Where to Invest \$1,000 Right Now

Description

The market might only be down 5% on the year, but we've seen all types of ups and downs throughout the year. At one point, the Canadian stock market dropped 35% in one month, which was followed by a 45% run over the next five months.

Entire industries have been affected by the global pandemic. Some have taken the brunt of the damage, such as travel stocks. Other industries, such as tech, have witnessed exceptional growth in comparison to the broader market.

All hail tech stocks

Recent reports from top tech stocks **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) highlight how the pandemic has only accelerated the growth of the e-commerce industry.

[Lightspeed reported](#) year-over-year quarterly revenue growth of 45%, while Shopify grew an unbelievable 96%. Not mention, Shopify is now by far Canada's largest company, valued at a market cap of \$165 billion.

Shopify and Lightspeed might be absolutely crushing the market this year, but my focus is not on over-valued tech stocks. Don't get me wrong; I'm extremely [bullish on the two tech stocks](#) over the long term, but there are plenty of top Canadian companies trading at discounts today as a result of the pandemic.

Toronto-Dominion Bank

In addition to airline stocks, the major Canadian banks have also had a rough year. The global pandemic drove a decrease in interest rates, which has hurt profits for the banks in the short term. What's perhaps even more worrisome to investors is that interest rates could very well not return to pre-COVID-19 levels anytime soon.

For short-term investors, bank stocks might not be the most appealing industry to invest in today. But for long-term investors with \$1,000 ready to put to work in the Canadian stock market, the major banks can be an excellent choice.

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) has been one of the most consistent and reliable Canadian stocks for decades. Not including dividends, TD Bank has seen its share price grow more than 50% over the past decade, and close to 200% over the past 20 years. Those returns have easily outpaced the growth of the broader Canadian market.

Valued at a market cap of close to \$110 billion, Canada's second-largest bank offers one of the top dividends investors can find on the Canadian stock market. At an annual dividend of \$3.16 per share, the yield is equal to a whopping 5.3% at today's stock price.

Down 20% on the year, TD Bank is a stock that you'll want to consider if you're a long-term investor with \$1,000 ready to put to work.

BlackBerry

We've definitely seen plenty of tech stocks soar to all-time highs this year, but **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) has not been one of them. Down more than 25% since the beginning of the year, the company is trading below \$7 a share today.

Gone are the days of trading above \$100 per share, but I believe BlackBerry has the potential for a very promising turnaround story.

The tech company is no longer in the smartphone industry. Today, BlackBerry is regarded as one of the most-trusted AI-cybersecurity companies in the world. The shift to the cybersecurity industry is precisely why I believe there is still a lot of growth left in the tank for BlackBerry.

Already ranked as a top player in an increasingly growing industry, BlackBerry's risk-to-reward tradeoff is definitely worth it to me. The tech company might not be able to provide the same type of stability or passive income that TD Bank can provide, but BlackBerry has the potential to once again be a multi-bagger for investors.

Foolish bottom line

If you've got \$1,000 to invest today, don't think that investing in the next hottest tech stock is your only option. The pandemic has created all sorts of opportunities in the stock market this year, and TD Bank and BlackBerry are two prime examples of that.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. NYSE:TD (The Toronto-Dominion Bank)
5. TSX:BB (BlackBerry)
6. TSX:LSPD (Lightspeed Commerce)
7. TSX:SHOP (Shopify Inc.)
8. TSX:TD (The Toronto-Dominion Bank)

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