



## Got \$1,000? 3 Top UNDERVALUED TSX Stocks to Buy Today

### Description

Who would have thought that markets would bounce back this hard and recover entirely in just eight months? The broad market rally has been spectacular, which has again made stocks notably expensive. However, some selected TSX stocks are still trading at a discount and look cheap against broader markets.

### B2Gold

Some might think that the pandemic's end has started with the possible vaccines soon and gold is no longer an attractive investment. However, the yellow metal is still trading higher compared to its year-ago levels. This will likely boost gold miners' earnings and, ultimately, their stocks.

One Canadian gold miner long-term investors can consider is **B2Gold** ([TSX:BTO](#))(NYSE:BTG). It is a low-cost producer that operates four mines in Western Africa.

Its net income has surged almost four times for the nine months ended September 30 compared to the same period last year. Higher realized gold prices would likely continue to uplift miner's bottom line for the next few quarters.

The recent weakness in gold miners brought B2Gold stock down by more than 20% this month. It is still sitting at a decent 36% gain so far this year. Notably, it is among the very few undervalued gold miner stocks on the TSX.

With superior earnings growth, discounted valuation, and stably growing dividends, this gold miner stock should be on every value investor's radar.

### Shaw Communications

If you are looking for some stable, slow-moving stock that pays decent monthly dividends, consider **Shaw Communications** ([TSX:SJR.B](#))(NYSE:SJR). It's a telecom company with a home phone,

broadband, and growing wireless business.

Telecom is a mature industry, and companies like Shaw generate stable cash flows, even when the economy is down. That's why these companies are better able to reward their shareholders with dividends. Shaw has a long dividend payment history and yields 5.2% at the moment.

Shaw expects a smooth recovery in the post-COVID environment and aims for a 7% earnings increase in the next fiscal year. Its dividends are well covered with earnings, and investors can expect a reasonable payout growth in the long term.

Shaw stock is still trading 13% lower than its pre-pandemic levels, notably underperforming peers. Investors seeking stable monthly dividends and capital protection can consider Shaw Communications stock for their long-term portfolios.

## BRP

The powersports vehicles manufacturer **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)) is my third pick among the undervalued TSX stocks. This week, the company [reported](#) an adjusted earnings increase of 21% for the nine months ended October 31, 2020, compared to the same period last year.

Interestingly, BRP management increased its fiscal 2021 earnings guidance from \$3.80 per share to \$5.12 per share.

I had [highlighted](#) BRP's valuation discount and higher earnings prospects last week. The stock has zoomed almost 20% since then.

The pandemic and the resulting mobility restrictions have substantially dented consumer discretionary spending and related industries. However, BRP, the leader in all-terrain vehicles and recreational aircraft segments, has seen a notable recovery in demand in the last few quarters. It will likely see more robust demand when mobility and discretionary spending returns to normal next year.

## CATEGORY

1. Coronavirus
2. Dividend Stocks
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5. Tech Stocks

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NASDAQ:DOOO (BRP Inc.)
2. NYSE:SJR (Shaw Communications Inc.)
3. NYSEMKT:BTG (B2Gold Corp.)
4. TSX:BTO (B2Gold Corp.)

5. TSX:DOO (BRP Inc.)
6. TSX:SJR.B (Shaw Communications)

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