



## 5 Cheap TSX Stocks to Buy Right Now

### Description

The rally in equities continues in 2021, thanks to the optimism stemming from the uptick in economic activities and vaccine distribution. While most Canadian stocks appear overvalued, a few continue to trade cheap and offer excellent value at the current price levels.

### Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is currently trading at a price-to-book-value (P/BV) ratio of 1.2, reflecting a discount of 21% compared to the peer group average. Besides trading a lower valuation multiple, Bank of Montreal is likely to deliver strong returns in 2021 and beyond on the back of loans and deposits growth and improving efficiency ratio.

The economic expansion is expected to drive credit demand. Moreover, the decline in credit provisions and lower non-interest expenses are likely to drive Bank of Montreal's earnings and, in turn, its stock. Notably, Bank of Montreal is also a top stock for investors looking for steady income. It has uninterruptedly paid dividends for 192 years and offers a decent yield of 4.4%.

### Kinross Gold

**Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) stock delivered strong returns in 2020, thanks to the increased demand and higher pricing. However, it witnessed strong selling over the past couple of months, and its stock is trading cheap compared to peers.

Kinross Gold's strong fundamentals and growing production profile make it an attractive investment. Moreover, the company anticipates its costs to go down over the next three years, which is likely to cushion its margins. Kinross Gold's forward EV/EBITDA multiple of 3.7 reflects a discount of more than 35% compared to the peer group average. The company has also restarted to pay a quarterly dividend and offers a decent yield of 1.7%.

## Real Matters

**Real Matters** ([TSX:REAL](#)) stock has lost over 40% of its value in the last six months and is trading cheap. I believe the sharp decline in its stock presents a solid [buying opportunity](#) for long-term investors. Real Matters stock is likely to benefit from the lower interest rates. Further, the interest rates could continue to trend lower in 2021, providing a strong underpinning for growth.

The refinancing activity is likely to remain elevated in 2021 and is expected to drive strong growth in its top and bottom line. Meanwhile, a large addressable market and its strong blue-chip client base are likely to fuel growth.

## Capital Power

Utility company **Capital Power** ([TSX:CPX](#)) is looking an attractive value bet. Capital Power trades at a forward EV/EBITDA multiple of 8.7, reflecting a more than 25% discount than its peer group average. Also, Capital Power is a Dividend Aristocrat and offers a stellar yield of 5.4%, which is safe.

The power demand is likely to increase on the back of economic reopening and easing of lockdown measures. Further, Capital Power's long-term power-purchase agreement, contracted growth opportunities, and young asset base suggest that it could continue to deliver predictable and growing cash flows. Moreover, Capital Power is likely to hike its 2021 dividend by 7%, thanks to its robust cash flows.

## Loblaw

Shares of Canadian food retailer **Loblaw** ([TSX:L](#)) are [trading cheap](#) when compared to peers. Loblaw is trading at a forward P/E ratio of 12.9, reflecting a discount of about 17% compared to its peer group average.

I believe retailers could witness a deceleration in growth rate due to the normalization of demand and tough year-over-year comparisons. However, Loblaw stock is likely to benefit from its efforts to strengthen the e-commerce offerings, including home delivery and pickup services. The company could continue to report positive same-store sales growth and report improved earnings in 2021.

### CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing
5. Metals and Mining Stocks
6. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)

2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CPX (Capital Power Corporation)
5. TSX:K (Kinross Gold Corporation)
6. TSX:L (Loblaw Companies Limited)
7. TSX:REAL (Real Matters Inc.)

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