



3 Top UNDERVALUED TSX Stocks to Buy Today

Description

TSX stocks at large have started to look overvalued after their stupendous rally since last year. However, there are few undervalued Canadian names that suggest strong growth potential for the future. Here are three TSX stocks among them.

BRP

BRP ([TSX:DOO](#))([NASDAQ:DOOO](#)), the leading Powersports vehicle maker, saw remarkable growth in the last few months. Hopes of normalcy and the management's upbeat outlook in November drove the stock consistently higher. Since November last year, BRP stock has soared almost 60%, beating TSX stocks at large.

The company will release its next quarterly earnings on March 25. Notably, better-than-expected performance could continue to push the stock further higher. It expects 31-37% earnings growth in 2021 year over year. Although BRP stock is trading at its all-time high, the stock is still fairly valued and indicates more upside.

Industries like travel and leisure are expected to see superior growth in the post-pandemic world. Thus, BRP comes in focus with its leading market share in Powersports vehicles and large global presence. Attractive valuation coupled with [strong growth prospects](#) makes BRP among some of the top TSX stocks to buy today.

goeasy

Shares of Canada's top consumer lender **goeasy** ([TSX:GSY](#)) have soared 30% so far in 2021. Driven by its recent quarterly results and bullish long-term outlook, it seems that the rally is just getting started.

For the year 2020, goeasy reported revenue growth of 7%, while its net income more than doubled against 2019. Additionally, the company [expects](#) double-digit revenue growth through 2023 with decently growing profit margins. As economies normalize, goeasy will likely see higher demand, which

could notably expand its loan portfolio.

goeasy operates through two business verticals: easyfinancial, which lends to non-prime borrowers, and easyhome, which offers furniture on a rent-to-own basis. Despite being in an uncertain industry, goeasy has seen substantial financial growth in the last two decades.

GSY stock has returned almost 1,800% in the last 10 years, notably beating TSX stocks at large.

Hydro One

Utility stocks, which are commonly known as bond substitutes, saw remarkable weakness last month as bond yields surged. Although utilities are slow-growing stocks, they generally outperform during market crashes due to their stable dividends. That's why investors should have some exposure to utility stocks. Investors can consider **Hydro One** ([TSX:H](#)) stock for their long-term portfolios.

Hydro One is a transmission and distribution utility that mainly operates in Canada's most populous province Ontario. It earns stable revenues driven by large, regulated operations. Hydro One stock yields 3.5%, which is in line with the TSX stocks at large.

Hydro One has increased dividends every year since 2016. Though it has a short dividend history than its peers, it will likely pay consistent dividends for years driven by its stable operations and earnings visibility.

Best stocks to buy today

These three TSX stocks are notably cheaper against their historical averages and growth potential. If you are sitting on some extra cash, it makes sense to bet on them for the long term.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

TICKERS GLOBAL

1. NASDAQ:DOOO (BRP Inc.)
2. TSX:DOO (BRP Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:H (Hydro One Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

Date

2025/07/01

Date Created

2021/03/12

Author

vinitkularni20

default watermark

default watermark