2 Cheap Canadian Stocks to Buy Under $20 in March 2021

**Description**

Undervalued stocks are becoming increasingly more difficult to find on the **TSX Index** these days. Year to date, the TSX is up 7.34% versus just a 1.1% gain in 2020. The Canadian stock market has clearly been bolstered by news on the COVID-19 vaccine deployment and hopes for a recovery out of the pandemic.



In a way, it seems like everything that was broken last year is suddenly working in 2021. Energy, financials, and industrials are a few sectors that are rocketing up. Vice versa, technology stocks, stay-at-home stocks, and safety stocks have all taken a haircut over the past month.

## Markets rotate, so have a balanced portfolio

The fact is, markets rotate and balance out. The best way to combat this is to have a diversified portfolio and a patient investment mindset. While the market dips and rises on a regular occasion, stocks that have great underlying value as businesses (great products, services, assets, or future economic prospects) go up over time.

The key is to be patient and let their investment unfold. Do your research, buy great companies, and then do nothing at all. Just hold the stocks and you will be rewarded. Are you looking for some value today? Here are two relatively cheap (or cheaper than they were) Canadian stocks trading at or below $20 per share today.

## A Canadian utility stock with growth and income

**Algonquin Power** (TSX:AQN)(NYSE:AQN) is a great Canadian stock that perfectly balances income and growth. Since the middle of February, the stock has pulled back by 10% to around $20 per share. Some of this has been due to concerns over the rising 10-year bond yields in the United States. Some has also been due to operational and financial issues resulting from the extreme Texas weather crisis last month.

While these issues are concerning, the weather impacts in particular are only temporary. This Canadian dividend stock has a good balance sheet, a diversified asset mix, and a smart management team. The long-term story still has not changed.

Algonquin has an impressive growth program in both its utility and renewable power segments. It is investing $9.4 billion over the next five years. The company expects to achieve an annual adjusted EBITDA CAGR of 15% to 2025! Earnings per share could expand by as much as 8-10% a year during that time.

Among peers, Algonquin has one of the most exciting long-term growth outlooks. Currently, the stock pays a 3.8% dividend. Yet that will likely rise at the same rate as earnings growth. The recent pullback provides investors a nice little discount to get in on a high-quality, cash-yielding Canadian stock today!

## An under-the-radar Canadian e-commerce stock

Another Canadian stock that looks attractive today is **WPT Industrial REIT** (TSX:WIR.U). If you want to buy into the e-commerce growth theme, but at a discount, this is one stock for you. WPT owns high-grade warehouse, logistics, and distribution properties across America. Over the pandemic, demand for distribution/industrial space has rapidly accelerated. Consequently, WPT enjoyed very stable, 98% occupancy, and strong rental rate growth in almost all its markets.



Through various joint ventures, the REIT has a number of development projects near completion. As a result, in early 2021, WPT could see a meaningful boost to cash flows.

Right now, this Canadian stock pays an attractive 5% monthly dividend and trades at a meaningful discount to its U.S. peers. Combine those two factors, and I believe this stock still has many years of income and asset growth ahead.

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