



3 UNDERVALUED Top Canadian Stocks to Buy Right Now

Description

The past year has been a wild ride for the TSX Composite Index. Stocks have swung wildly, as the market has re-priced equities in dramatic fashion, following the sentiment of investors.

Today, sentiment is broadly bullish, resulting in valuations that are way above historical levels. That said, there are still a few opportunities out there.

Accordingly, here are three top picks with valuations I think are attractive today.

Alimentation Couche-Tard

Growth investors have kept an eye on **Alimentation Couche-Tard** (TSX:ATD.B) for quite some time now, given the fact this stock hasn't done much in recent years. It is, however, one of the best growth plays in the convenience store/gas station business. The company's plans to [double its net profits](#) in the next five years, speaking to this growth potential.

Couche-Tard is more of a growth play than income play, so investors need to think of this stock that way. However, the company does provide a dividend of around 1%, a token I view as a freebie.

However, Couche-Tard has raised its dividend twice in recent years, as M&A deal flow has stagnated. The company hasn't been making deals, and has been getting punished when it's made bids. However, as stated before, I like the company's long-term strategic focus, and feel this sentiment is unwarranted today.

Kirkland Lake Gold

Gold has traditionally remained the "safest" hedge against inflation. While that thesis has come into question of late with the rise of cryptocurrencies, many gold bugs are still on the hunt for deals.

One such deal is **Kirkland Lake Gold** (TSX:KL)(NYSE:KL).

This is a company that is massively undervalued on the basis of its fundamentals. Indeed, a price-to-earnings ratio of 14 for a company with great secular drivers is a dirt-cheap pick. Add that to the firm's high-margin mining operations and you have a real winner.

Kirkland Lake essentially has no debt and a massive war chest to go out and acquire additional reserves or hike its dividend. I am extremely bullish on this stock, and it remains one of my top ideas today.

Manulife Financial

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is another dirt-cheap company, when compared to its banking peers.

Like all financials stocks, expectations of rising inflation and improving sentiment around bond yields are very bullish for Manulife. The market should be pricing in a lower discount for Manulife, but as it stands, it isn't.

Indeed, I believe this provides investors with a rare opportunity to pick up shares of a high-quality company at a relatively steep discount. Manulife's growth prospects in Asia remain strong, and its core business is one that is one with a number of strong catalysts today.

Additionally, this is a stock with a very attractive yield today. Investors seeking income in their portfolios could do a lot worse than with a long-term holding like Manulife.

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1. Bank Stocks
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TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)

2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:MFC (Manulife Financial Corporation)

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Author

chrismacdonald

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