



4 of the Best Cheap TSX Stocks to Buy Under \$100 in April 2021

Description

Canadian stocks have reversed some of their gains, as continued uncertainty over the pace of economic recovery and high valuations are keeping investors on edge. Besides, the resurgent virus continues to play spoilsport.

While the stock market could continue to remain volatile in the short term, the long-term fundamentals remain strong. I believe the widespread vaccine distribution and economic expansion could drive meaningful growth in some of the **TSX**-listed stocks that are trading cheap and are expected to gain big from the recovery in demand. I'll discuss four such Canadian stocks that are likely to deliver stellar returns in the long term. Further, these stocks are trading under \$100.

Cineplex

I expect **Cineplex** ([TSX:CGX](#)) stock to deliver outsized returns in the post-COVID world. Cineplex's financials took a significant hit amid the mandatory closure of its theatres and entertainment venues. However, its stock has surged over 66% in the last six months on positive vaccine development. I believe the widespread vaccination in the second half of 2021 could significantly boost Cineplex's revenues and, in turn, its stock price.

With the reopening of its entertainment locations and theatres, I expect to see a solid sequential improvement in Cineplex's revenues and capacity. The company could soon return to normal operating conditions, which is likely to cushion its earnings. Its stock is still down about 65% from its pre-pandemic levels and looks attractive at the current levels.

Absolute Software

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) stock has witnessed a healthy pullback in the recent past and is trading cheap compared to peers. Shares of Absolute Software are trading at a forward EV/sales multiple of 4.5, which is well below all of its peers. Moreover, I expect the demand for its endpoint security software is likely to remain elevated amid increased spending on cybersecurity, which is expected to support its top line and, in turn, its stock.

Absolute Software's low valuation, positive secular industry trends, and robust product pipeline [strengthen my bullish view](#). Low direct competitive activity, stellar annual recurring revenues, continued customer expansion, a high client retention rate, a zero-debt balance sheet, and geographical expansion provide a solid base for future growth.

Suncor Energy

The economic reopening has driven crude oil prices higher, providing strong support to the shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). While Suncor stock has recovered from its lows, I expect the uptrend in its stock to continue, as oil prices could trend higher in 2021 and beyond on the back of increased demand.

I expect an increase in production, higher average realized prices, and its lower cost base is likely to drive its stock higher. Meanwhile, Suncor could continue to boost its investors' returns through consistent dividend payments and share repurchases.

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) stock is trading cheap compared to peers. While its stock has increased by about 47% in the last six months, its price-to-book value ratio of 1.4 is significantly lower than the peer group average. Besides a lower valuation multiple, the recovery in consumer demand, growth in loans and deposit volumes, and its exposure to the high-growth banking markets are likely to support its financials and, in turn, its stock.

Furthermore, a sharp reduction in provisions and expense management are likely to drive solid growth in its earnings and future dividend payouts. Scotiabank has consistently [enhanced its shareholders' value](#) through higher dividend payments and offers a decent yield of 4.6%.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing
6. Tech Stocks

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:SU (Suncor Energy Inc.)

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5. TSX:CGX (Cineplex Inc.)
6. TSX:SU (Suncor Energy Inc.)

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