



## 3 Cheap Canadian Stocks to Buy Now

### Description

The **TSX** continues to rebound with the economy finally starting to reopen. The COVID-19 vaccine is slowly making its way across the country. When vaccinations are well underway, there could be a full blown rebound for the market. That means these are stocks to buy now that trade at cheaper valuations and offer superb buying opportunities. For my money, I would start with these three.

### Air Canada stock

There are still travel restrictions for **Air Canada** ([TSX:AC](#)), it's true. The variant continues to wage war on the company and AC stock price. AC stock still trades at half where it was before the crash in March 2020. Yet given this pandemic is a temporary situation, that makes the current 1.6 times sales valuation a steal. That's why this is one of the stocks to buy now.

That is, if you're willing to wait. There will be near-term challenges as the company changes within a post-pandemic world. Restrictions will be lifted slowly, but then passenger demand is likely to surge. Add in the \$5.9 billion financial aid package from the federal government, and AC stock is looking is a solid financial position.

AC stock already made cost-saving changes before the downturn, and is now looking to expand into cargo services with the rise in e-commerce demand. So while the next few years could be a bit volatile, long-term investors will be glad they bought today.

### Suncor stock

My second top choice for a stock to buy now has to be **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)). The company continues to trade at cheap valuations given its growth prospects. Suncor stock trade 12% lower than highs back in March, and the decline in oil demand dragged the share price lower. But because of the correction, it trades at 1.6 times sales and 1.1 times book value, making it a steal today and one of the stocks to buy now.

The reopening of the economy will be beneficial for Suncor stock. There will be a surge in oil demand, and this alone will see financials soar, along with the share price. But the company was already on the growth path before the pandemic and downturn from the oil and gas glut back in 2018. It bought up land in the Alberta oil sands to produce even more product with the incoming oil demand.

In fact, Suncor stock management seem so confident in the company's future it announced a \$500 million share repurchase program for 2021 last year. It also expects an average upstream production of 740,000 to 780,000 barrels of oil equivalent per day, a 10% increase year over year. Suncor stock may [even boost](#) back up its dividend yield, currently at 3.3% after slashing it last year.

## CNR stock

My final pick for this list is going to be **Canadian National Railway Co.** ([TSX:CNR](#))([NYSE:CNI](#)). This company provides long-term investors with the opportunity to buy in to a similar situation that **Canadian Pacific Railway** was in only a few years ago. Back then, the company saw a [major boost](#) while revamping its services. Today, CNR stock offers that same opportunity.

CNR stock outbid CP stock in the bid for **Kansas City Southern** railway system, but the deal is still ongoing as of writing. CNR stock has been trying to catch up for years to CP stock, and this new purchase could put it in the lead within the duopoly. CNR stock would have access from Canada down to Mexico, something CP stock could not compete with at this point.

Management believes it's not just the bid price of US\$33.7 billion that has Kansas City Southern's attention. It also provides a more efficient and thus cheaper method of shipping products from Canada to Mexico. The stock trades at a fair book value of 4.8. That makes another one of the cheap stocks to buy now, as it won't remain cheap for long.

### CATEGORY

1. Investing
2. Personal Finance

### TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AC (Air Canada)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:SU (Suncor Energy Inc.)

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