3 Cheap Canadian Stocks Trading at 52-Week Highs

Description

It might sound like an oxymoron to say that there are cheap stocks trading at 52-week highs. However, there are many Canadian stocks out there that, despite the high share prices, are still a steal. When digging into all-time highs, valuations, and growth prospects, these three stocks are solid buys right now.

Magna International

The electric vehicle (EV) revolution is securely underway. Yet investors have a hard time knowing where to invest. Canadian stocks that offer EV solutions are hard to come by. However, if you look EV-adjacent, then one comes out ahead of the rest: **Magna International** (TSX:MG)(NYSE:MGA).

This car parts manufacturer has taken a jumping leap into the EV world. The company created a joint venture with **LG Electronics** to create more electronic components as the world shifts to electric. If you've been paying attention, many car manufacturers have announced by 2040 they'll have a full fleet of EVs. I know what you're thinking: what about now? Luckily, most cars now have electronic parts. So, this provides a steady, stable, and lucrative opportunity for Magna both now and in the future.

Shares continue to trade near 52-week highs, yet there has been a slight pullback recently. That provides a strong opportunity to jump on Magna stock. Shares are up 128% in the last year, yet trade at 2.4 times book value and 0.8 times sales. An investment of $10,000 just a year ago would be worth $20,995 as of writing.

Canadian Utilities

If there's one thing that's stable, it's the utility sector. But when you combine that with the rebound in oil and gas, you get winning Canadian stocks like **Canadian Utilities** (TSX:CU). The electricity and pipeline energy producer currently trades at 52-week highs, yet this is all part of an ongoing rebound.

The company is such a strong stock to own, because it takes in 95% of total revenue from regulated assets, with long-term contracts supporting the rest of revenue. So, not only can you look forward to continued share growth, but investors should also be able to continue seeing dividend growth as well.

Yet this stock is still well into value territory. Shares trade at 2.9 times sales and 1.8 times book value. As it continues to grow its asset base and find new cost efficiencies, this should continue to drive strong revenue growth. Shares are up about 10% in the last year alone. An investment of $10,000 a year ago would be worth about $12,000 as of writing.

Great-West Lifeco

It's been an steady upward climb for **Great-West Lifeco** (TSX:GWO) over the past year. The stock has been completely stable during the economic recovery. Canadian stocks like these don't remain cheap for long, especially as the company expands its footprint. Great-West currently operates in Canada, the United States, and Europe. However, it still has Asia in its sights.

It's these growth opportunities that make this stock unbelievably cheap, despite share growth of 70% in the last year. Then you factor in its dividend yield of 4.92%. Analysts also predict it could reach $40 per share by the end of the year. That's a potential upside of 14% as of writing. So, despite trading at 52-week highs, this is definitely a stock you should consider for your portfolio.

Great-West trades at an incredible 0.5 times sales and 1.6 times book value — an incredible deal by today's standards. It also has a price-to-earnings ratio of 11.26 — again, a bargain at today's price. If you had bought $10,000 in shares a year ago, they would be worth about $16,666 today!

CATEGORY

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TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:GWO (Great-West Lifeco Inc.)
4. TSX:MG (Magna International Inc.)

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