3 Cheap Canadian Stocks to Buy Now and Own Forever

Description

Canadian stocks continue to chug higher as the month of May concludes. The **S&P/TSX Composite Index** just hit some new all-time highs, and the index is up 13% year to date. It certainly isn't unforeseeable that the **TSX** could hit 20,000 sometime soon. In a way, it is good to see. It means out of the pandemic, economies are recovering, and demand for Canadian exports like lumber, energy, metals, and materials is up.

However, if you are a new investor, it is a bit of a challenge. Valuations are high, and it is pretty difficult finding Canadian stocks that are still cheap. Fortunately, I've got three investment ideas that are still relatively cheap and are great stocks to just buy and hold for a very long time.

Alimentation Couche-Tard: This Canadian stock is a bargain

Alimentation Couche-Tard (TSX:ATD.A)(TSX:ATD.B) is not as cheap as it was a month ago, but it still looks fairly attractive here. It only trades with a price-to-earnings ratio of 15 times right now. Yet this is a very good company. It operates some of the best-known convenience stores across the world. This company is an expert at consolidation, and, I believe, even despite its **Carrefour** acquisition failure, there are still more opportunities.

If not, the company still has an attractive organic growth pipeline that garners attractive (+15%) returns on capital spent. Likewise, economic factors such as rising gasoline demand and increased travel (especially in the U.S.) should give this stock a boost. The company has repurchased nearly $900 million of shares since the start of the year, so that should start to positively impact earnings as well.

Calian Group: A under-the-radar Canadian tech stock

Another Canadian stock that looks like a good value today is **Calian Group** (TSX:CGY). It provides solutions in healthcare, learning, technology, and IT/cybersecurity. This stock is somewhat under the radar, but that is why it is a great bet. The stock has been on a decline in 2021, but today trades with an enterprise value-to-EBITDA ratio of only 15 times. That is despite its business fundamentals continuing to accelerate.

In its recent first quarter for 2021, revenues grew 33% to a record $138 million. Likewise, adjusted EBITDA hit a record $14.2 million — an increase of 39%. Calian has a great balance sheet, strong +10% annual organic growth, and an active acquisition pipeline. There is no reason this stock is so cheap, and I think at some point the market will recognize this.

Brookfield Renewable Partners: A green energy leader

Brookfield Renewable Partners (TSX:BEP.UN)(NYSE:BEP) is truly a solid Canadian stock to buy and hold for a very long time. De-carbonization initiatives are only accelerating across the globe, and BEP is a great way to participate. It operates over 20,000 megawatts (MW) of hydro, wind, solar, and distributed generation assets across the world.

BEP is skilled at buying power assets or projects that need work. It then fixes them up, recapitalizes them, and holds them for yield or sells them at a premium. Currently, it has a 23,000 MW pipeline of developments in the works.

While that seems like a massive initiative, BEP has the balance sheet, track record, and management expertise to do what it says it will. The stock has pulled back considerably in 2021. Today, it pays an attractive 3.1% dividend and trades at a fair valuation. Hence, I think this is a great long-term bet for every Canadian investor.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:CGY (Calian Group Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

Date
2025/08/19
Date Created
2021/05/28
Author
robbybrown