3 Stocks Still at a Discount! Buy Before the Sale Is Over

Description

Finding relatively discounted stocks isn't difficult, regardless of how bullish the market is and how consistently it has been growing over the past few years. Some sector is always in trouble, and individual stocks might slip for a myriad of reasons. Isolated challenges affecting specific industries can also bring powerful stocks to their knees, even if the market is strong.

The difficult part is finding the *right* discounted stock. Not every low-value bet pays off, and a more rock-solid approach would be to buy a stock that offers surety of growth at fair to high valuation instead of a risky stock at a discount price. But there *are* discounted stocks that might have decent potential.

An integrated forest product company

Canfor (TSX:CFP) is a Vancouver-based company with a market capitalization of $3.75 billion. The company has been around since 1938. It started out as a local plywood company with 28 employees, but through acquisitions and expansions, it has grown over the years. It now has 36 production/manufacturing facilities and eight corporate offices.

Canfor stock has recently reached its historic peak. It started growing at an incredible pace after the market crash, and in the last 12 months, it has grown about 195%. And the best part is that despite its incredible growth spell, the valuation has stayed quite attractive. Its price to book is at 1.5 and the price to earnings is at 3.6, making it adequately undervalued. It has a powerful balance sheet and strong financials.

A financial service company

Guardian Capital (TSX:GCG) is a Toronto-based financial services company. It offers asset management, private wealth management, and financial services. Guardian has been a stable financial company for over half a decade and has a market capitalization of $783 million. Despite the fact that the stock has grown about 45.5% in the last 12 months, which is a bit unusual pattern compared to its historical growth, the stock seems undervalued.

It has a price to earnings of about 3.7 and a price to book of 1.1 times. The company's financials are strong, and the revenue has been growing consistently quarter over quarter for the last three years. It also offers a dividend, which it has grown four times over the last four years, and it's currently offering a modest yield of 2.1%.

A precious metals company

Discounted precious metals companies, especially in a relatively strong market, are quite commonplace, but what makes **Dundee Precious Metals** (TSX:DPM) a cut above the rest is its past five years of growth. The stock has grown over 225% in the last half-decade, and it's still trading at a price to earnings of 7.4 and price to book of 1.6 times.

The company is also offering a modest 1.3% yield. Dundee stock has begun to normalize, especially in 2021. Still, if the company is capable of one or two more growth bouts like the one it displayed in the last five years, it can be a powerful, currently discounted addition to your portfolio.

Foolish takeaway

When there isn't a market crash with a whole buffet of discounted and undervalued stocks, every bargain offer should be taken with a grain of salt. Why is an undervalued stock undervalued in the first place? It might be an unusually strong earnings quarter skewing the numbers, or the stock might be taking a temporary dip. In any case, do your due diligence before betting on undervalued stocks.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CFP (Canfor Corporation)
2. TSX:DPM (Dundee Precious Metals Inc.)
3. TSX:GCG (Guardian Capital Group Limited)

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Author
adamothman