



3 Hot Canadian Stocks to Buy Right Now

Description

Don't [wait](#) around for the next market correction, as it may not pummel the hot Canadian stocks on your watchlist. In this piece, I've narrowed a list of three names that I think contrarians should buy this June 2021 before they have a chance to catch up to the high-flying names that have led the TSX higher in the first half of the year.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) went from dud to one of Canada's hottest stocks, with shares now up a jaw-dropping 34% year to date. The dividend yield has now compressed considerably down to 3.3%. But as banking industry headwinds fade (lower provisioning) in favour of potential tailwinds (I think rate hikes are imminent), I think the bank will soon serve up a pretty generous dividend increase that could propel the yield close to the 4% mark.

I've never seen the [macro](#) take a 180-degree turn in such a hurry. While BMO stock may seem pricey after its 107% rally off 2020's lows, it's worth noting that traditional valuation metrics still suggest modest undervaluation in the stock. BMO's rally is quite remarkable given the recent upside move, which may be more characterizable as a "correction to the upside" than a euphoria-driven surge.

The stock trades at a mere 10.9 times forward earnings, which is ridiculously cheap, given the calibre of business you'll be getting from the name. Things are finally looking up for BMO, and with an earnings reacceleration underway, I wouldn't hesitate to load up here.

BlackBerry

Don't look now, but **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock is back on the WallStreetBets (WSB) hitlist, with shares surging over 83% since May 25. Given the explosive daily moves, BB stock could be well above the \$19 mark by the time you're reading this. In any case, BlackBerry remains my favourite WSB stock for its turnaround story and its vehicle data project named IVY.

At the time of writing, BB stock trades at 5.2 times book and 8.8 times sales, making it one of the cheapest high-tech stocks out there. If BlackBerry is still below \$20 by the time you're reading this, I wouldn't be against nibbling into a starter position. But please do be ready to double down on a dip should the WSB trade sour sooner rather than later.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is one of my favourite Canadian stock picks in the energy scene right now. With WTI (West Texas Intermediate) flirting with US\$70, I would have expected a previous oil sands leader like Suncor to be a heck of a lot higher than it is now. Despite the 105% run off its bottom, shares are still trailing the broader basket of oil stocks, including the firm that took Suncor's crown in 2020 — **Canadian Natural Resources**.

Shares of Suncor are still off over 31% from their 2020 highs, with a freshly cut 2.7% dividend yield. The longer WTI remains at these heights, the more room Suncor stock could run. At 1.3 times book value, Suncor is one of the cheapest (and most prudent) ways to play the great commodity price boom of 2021.

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2. NYSE:BMO (Bank of Montreal)
3. NYSE:SU (Suncor Energy Inc.)
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5. TSX:BMO (Bank Of Montreal)
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