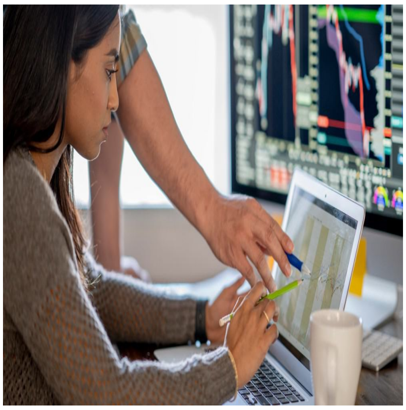

Got $1,000? 2 Super Cheap Stocks Investors Should Buy Today

Description

The **S&P/TSX Composite Index** was up 39 points in early afternoon trading on June 8. Base metals, energy, and industrials led the way while health care continued its slide as Canada has seen its vaccine rollout accelerate. While North American markets hit some turbulence in May, it's still a challenge to hunt for value in this environment. Today, I want to zero in on two cheap stocks that are worth snagging if you have extra cash. Let's jump in.

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Here's why this dividend all-star stock is still undervalued

Manulife Financial (TSX:MFC)(NYSE:MFC) is a Toronto-based financial services and insurance provider. Its shares have climbed 12% in 2021. The stock is up 25% from the prior year. In September 2020, I'd discussed why Manulife looked like a cheap stock worthy of snatching up on the dip. Manulife has performed well this year, but it still offers solid value.

The company released its first-quarter 2021 results on May 5. Core earnings increased 67% from the prior year to $1.6 billion. Meanwhile, annualized premium equivalent (APE) sales rose 14% to $1.8 billion. Global insurance firms have been eager to jump into lucrative Asia-based markets as middle-class populations are on the rise in that part of the world. In Q1 2021, Manulife saw Asia's new business value reach $477 million – up from $356 million in the first quarter of 2020.

This cheap stock last had a favourable price-to-earnings ratio of 9.4. Meanwhile, it offers a quarterly dividend of $0.28 per share. That represents a 4.4% yield.

Another cheap stock to snag in early June

Sleep Country Canada (TSX:ZZZ) is a Brampton-based company engaged in retailing mattressesand bedding-related products across the country. Two years ago, I'd suggested that investors shouldscoop up Sleep Country after it hit a 52-week low. The stock has increased 14% in the year-to-dateperiod. Meanwhile, its shares have climbed 74% from the same time in 2020. Sleep Country hasdipped since the end of April. Fortunately, it still qualifies as a cheap stock in this overheated market.

In Q1 2021, the company reported revenue of $183 million – up 20.7% from Q1 2020. Meanwhile, operating EBITDA climbed 12.9% to $31.5 million. The company opened two new stores in the quarter, bringing the total count to 283 across Canada. It delivered its fourth consecutive quarter of triple-digit e-commerce revenue growth. Like its peers, Sleep Country has been forced to bolster its digital offerings during the COVID-19 pandemic.

Sleep Country looks poised to return to full strength as Canadian provinces pursue a reopening this summer. With luck, this is the last we will see of increased restrictions and lockdowns as Canada's vaccine rollout charges on. The outlook for Sleep Country and other retailers will continue to improve in this environment.

Shares of Sleep Country possess a P/E ratio of 16. This qualifies Sleep Country as a cheap stock in early June. It last paid out a quarterly dividend of $0.195 per share. This represents a 2.6% yield.

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CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)
3. TSX:ZZZ (Sleep Country Canada)

PARTNER-FEEDS

1. Business Insider
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aocallaghan

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