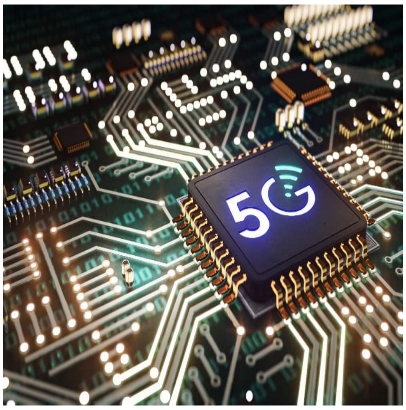

2 Cheap Canadian Stocks I'd Buy Over BlackBerry

**Description**

**BlackBerry** stock has been surging again, thanks in part to the action over at Reddit's WallStreetBets forum. While the company has a compelling turnaround story, I do think those who are patient could get another shot to scoop up shares in the $9-10 range, a far cry away from where the stock trades today.



Undoubtedly, chasing Reddit stocks can end in tears. While BlackBerry is probably one of the cheapest of the WallSteetBets plays, it's still wildly overvalued, according to analysts. The Street-high price target on BlackBerry is $12 and change, suggesting nearly 30% worth of downside from current levels. As the stock looks to peak, I'd much rather put money in Canadian stocks with a greater margin of safety.

## Better risk/reward than BlackBerry stock?

In this piece, we'll look at two names that are trading at close to or below book value. I'd be willing to bet that each name will outperform BlackBerry stock for the second half. So, without further ado, let's get into them:

## ONEX

**ONEX** (TSX:ONEX) is an investment manager with a proven track record of beating the **TSX** over a prolonged period of time.

The brilliant managers behind the scenes have a real knack for scooping up great businesses at fair prices, thus creating ample value for shareholders. Of late, though, the company had suffered through more than its fair share of fumbles. Amid the coronavirus crisis, a handful of businesses under the Onex umbrella, most notably Westjet Airlines, were feeling the full force of COVID-19's impact.

As pressures weighed on the results, ONEX stock sunk over 30%, only to fully recover nearly a year and a half later on the back of reopening hopes. Today, ONEX stock is just a hair away from its prepandemic high, but I still think there's a fair amount of value to be had with shares trading at just 0.8 times its book value.

## Cenovus Energy

**Cenovus Energy** (TSX:CVE)(NYSE:CVE) is arguably one of the least understood names on the TSX. The Canadian energy firm endured a massive fall from grace ever since oil prices slipped back in 2014. Today, the tables have turned, and West Texas Intermediate is in a powerful bull market, recently blasting past the US$71 mark.

Oil prices are the highest it's been in years, yet CVE stock is still where it was when oil was in the US$50 range. I think skeptical investors doubt that oil can stay at these heights. Given post-pandemic demand for fossil fuels could creep higher post-pandemic, I'd argue the oil rally could have room to run. I think US$80 by year-end isn't out of the question. Who knows? US$100 oil may follow shortly after.

As one of the more innovative players in Canada's energy patch, investors should look to continue buying on strength. Eventually, the company's innovative investments will lower production costs. And the longer oil stays above US$70, the more fuel there will be for Cenovus' rally.

At just 1.1 times book value, Cenovus is a bargain, plain and simple. I'm a huge fan of buying commodities on strength, and right now, I think the outlook couldn't be stronger for Cenovus, which may very well be one of the best bargains on this side of the border.



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joefrenette