Canadians: 2 Top Bargain Stocks You Can Buy Today

Description

The market has been recovering exceptionally well over the last year, with the **TSX** up roughly 30% over that time. This has helped a lot of investors to see their portfolios grow rapidly. Unfortunately, though, it also means that there are not too many Canadian stocks trading cheap that are worth a buy today.

So, when you do find stocks trading undervalued, as long as they are high quality, I'd be looking to take the deal as soon as possible. The market continues to recover, and although we aren't out of the woods yet, we've been making great progress on the vaccination front.

So, with few companies left undervalued, there's not much time left to find recovery stocks with significant upside.

With that in mind, here are two of the cheapest Canadian stocks to buy today.

A top Canadian retail stock to buy today

There's no question that retail companies have been impacted significantly by the pandemic. Although some of the best have fared well, such as **Aritzia**, for example, others haven't been so lucky.

The problem is stocks like Aritzia have already recovered and are setting new highs. There is one Canadian stock, similar to Aritzia, though, offering a tonne of value and looking like one of the best stocks to buy now. That's the iconic retailer **Roots** (TSX:ROOT).

The main reason Roots is cheap is that it was in turnaround mode as the pandemic hit. However, the company is similar in many ways to Aritzia in that it's a vertically integrated clothing company with tonnes of retail stores and a strong online presence.

For a company that was struggling before the pandemic, it has fared pretty well. That's not surprising, given it has an extremely popular brand among Canadian consumers.

So, as retail restrictions are slowly being lifted, Roots looks like one of the cheapest Canadian stocks there is, and one I'd be looking to buy soon.

A cheap restaurant stock for dividend investors

Another major industry that's been impacted in a lot of similar ways to retail is restaurants. That's why I'd be considering an investment in one of the top casual family restaurant chains in Canada, **Boston Pizza Royalties** (TSX:BPF.UN).

The fund earns a royalty on all the sales from each restaurant across the country. So, as restaurants were shut down and relying on takeout and patios only, sales understandably took a hit at each restaurant leading to lower royalty payments for investors.

However, as we are now on the verge of reopening fully, Boston Pizza could offer tremendous upside, especially for dividend investors. This is why it's one of the top Canadian stocks to buy today.

Currently, its revenue would have to grow by 50% to reach its pre-pandemic level. That's a lot of upside and a lot of opportunity.

The fund pays a dividend that yields more than 5.4% today, and it only pays out just 56% of what it did before the pandemic. So, if you buy the Canadian stock today and sales were to recover to their pre-pandemic level, the stock could skyrocket.

And on top of the fact that your investment would be worth a whole lot more, if the dividend went back to pre-pandemic levels, the yield on your initial investment would be more than 9.5%.

So, if you're looking for a top Canadian stock to buy, Boston Pizza is one of the cheapest on the market.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:ROOT (Roots Corporation)

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