



Forget Bitcoin: Buy These Cheap Stocks Instead

Description

Canadians are finally seeing a light at the end of the tunnel after wrestling with the COVID-19 pandemic and some of the harshest restrictions in the developed world over the past 16 months. Despite the harsh reality, the **S&P/TSX Composite Index** managed to soar to a new record by the middle of 2021. The cryptocurrency space also erupted, sending Bitcoin and its peers to an all-time high. It is not easy to hunt for discounts in this environment. Today, I want to discuss why I'm avoiding Bitcoin after the recent crypto crash. Moreover, I'll look at two [cheap stocks](#) I'd buy instead.

Here's why I'm not jumping back into Bitcoin anytime soon

Bitcoin, the world's top digital currency, rose above the US\$60,000 mark by the middle of April. Digital currencies had been riding momentum since the middle of 2020. Investors flocked to the alternative assets, as economic questions mounted during the pandemic. Meanwhile, Bitcoin and its peers also gained mainstream approval and broke onto the top payment platform **PayPal**.

Cryptos have received attention for all the wrong reasons in recent months. International regulators have digital currencies in their sights again. Regulatory pressure was one of the main catalysts for Bitcoin's fall after the 2017 bull run. China has sought to undermine Bitcoin in 2021, which has spooked investors.

Betting against Bitcoin has not worked for its detractors in recent years. Digital currencies may have their day again soon, but I'm steering clear as regulators [step up pressure](#) right now. Instead, I've got my eyes on cheap stocks on the TSX.

A cheap stock that gold bulls should consider right now

Kinross ([TSX:K](#))([NYSE:KGC](#)) is a Toronto-based gold producer. Earlier this week, I'd discussed why gold was [undervalued](#) in my view. Shares of Kinross have plunged 17% month over month as of close on July 8.

The spot price of gold hit a record US\$2,000/ounce in 2020. However, the yellow metal lost momentum in the spring and summer of the previous year. Now, rising inflation and crumbling crypto has some investors taking a second look at precious metals.

In Q1 2021, the company reported adjusted net earnings of \$192 million or \$0.15 per share — up 51% from the previous year. Metal sales reached \$985 million — up from \$879 million in Q1 2020. This cheap stock boasts a very attractive price-to-earnings (P/E) ratio of 5.7 at the time of this writing. It has an RSI of 31, putting it just outside technically oversold territory.

One more cheap stock I'd snag today

Sun Life ([TSX:SLF](#))([NYSE:SLF](#)) is another cheap stock I'd buy over Bitcoin in early July. This Toronto-based company provides insurance, wealth, and asset management solutions to a global client base. Its shares have climbed 10% in 2021. However, the stock is down 3.3% month over month.

In the first quarter of 2021, Sun Life delivered underlying net income of \$850 million — up from \$770 million in Q1 2020. Total wealth sales rose 10% from the prior year, as Sun Life and other asset managers benefited from red-hot markets. This cheap stock has a favourable P/E ratio of 12. Moreover, it last announced a quarterly dividend of \$0.55 per share. This represents a 3.5% yield.

CATEGORY

1. Investing

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2. TSX:K (Kinross Gold Corporation)
3. TSX:SLF (Sun Life Financial Inc.)

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