



Canadians: 4 Stocks With Attractive Discounts to Buy Now

Description

Despite the solid bull run in the Canadian stock market, I see strong value in several TSX stocks that could be an excellent addition to your portfolio. Besides trading at attractive discounts, these Canadian stocks have solid upside potential, thanks to the improving operating environment.

Let's focus on four such TSX stocks that could deliver superior returns in the near term.

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is a [solid value pick](#) at the current price levels. The bank is trading at a price-to-book value multiple of 1.4, which is well below **Bank of Montreal's**, **Toronto-Dominion Bank's**, and **Royal Bank of Canada's** multiples of 1.5, 1.7, and 2.1, respectively.

The stock has gained 17% this year and could continue to trend higher. I expect it to deliver stellar financials amid an improving operating environment and economic expansion. Further, the bank is likely to benefit from higher loans and deposit volumes, improved credit performance, and lower provisions. Its exposure to high-growth banking markets and improving efficiency could cushion its earnings and drive future dividend payments.

Air Canada

Air Canada ([TSX:AC](#)) looks attractive at the current price levels, as the easing of travel restrictions and revival in air travel demand could significantly boost its financials in the near term. The company's revenues and operating capacity will likely improve once its operations return to normal and international borders reopen.

Further, its cash-burn rate and losses could go down. Also, its rapidly growing air cargo business, revenue diversification, and lower costs could support its financials. Despite gaining over 47% in one year, Air Canada stock trades at a significant discount from its pre-COVID levels and is an attractive long-term pick.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is of the many stocks trading cheap and could deliver superior returns in the coming quarters on the back of revival in demand. Its stock has appreciated over 26% this year, and I expect the uptrend to sustain. I believe Suncor's integrated assets, higher commodity prices, and gradual recovery in demand indicate better days are ahead for this energy company.

Looking ahead, I believe improving operating environment, higher realizations, increased production, strategic investments, and favourable product mix provide a strong underpinning for growth. Furthermore, its lower costs, strong balance sheet, and debt reduction augur well for future growth. Suncor could continue to enhance its shareholders' value through regular dividend payments and share buybacks.

Cineplex

Cineplex ([TSX:CGX](#)) stock has bounced back strongly and recovered a considerable portion of its lost value. Its stock has gained about 59% in one year, yet continues to trade at a significant discount compared to the pre-COVID levels, making it an [attractive bet](#) at current price levels.

I believe the Cineplex stock could deliver stellar gains over the medium to long term, as its operations normalize and demand improves. The reopening of its movie theatres and entertainment venues, expansion of food delivery services, and lower cost base could drive its revenues and cash flows. Moreover, a strong slate of movies in 2022 could further accelerate its growth rate and drive its stock higher. Notably, Cineplex's revenues could show sequential improvement, while its operating losses and cash burn could go down.

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1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AC (Air Canada)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:CGX (Cineplex Inc.)

6. TSX:SU (Suncor Energy Inc.)

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snahata

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