



2 Canadian Stocks That Are Absurdly Cheap Right Now

Description

The **S&P/TSX Composite Index** has crossed the 23,000-point barrier as the market continues to trade at new all-time highs. Besides a slight hiccup a few weeks ago that saw the index dip to around 19,700 points, the overall stock market is continuing its upward trend. Many investors started creating investment portfolios in their [Tax-Free Savings Accounts](#) (TFSA) in 2020 to capitalize on the rapid growth in the stock market.

It seems impossible to find high-quality stocks trading for a discount in a market that is trading at all-time highs. However, it is possible to find [high-quality assets trading for a discount](#) that you can add to your TFSA portfolio to enjoy substantial and tax-free returns. You just need to know where to look for the right companies that can fit the bill.

I will discuss two Canadian stocks that are still absurdly cheap considering the potential that the underlying businesses have to offer to help you get started.

Scotiabank

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is one of the best stock picks among Canada's Big Six banking stocks. The Canadian financial institution boasts an impressive track record for paying its shareholders their dividends. Trading for \$78.65 per share at writing, it boasts a juicy 4.58% dividend yield, making it one of the highest-yielding dividend stocks in the Canadian banking sector.

Scotiabank has a diversified business profile and a very strong international banking division. Its presence in many countries, including the Pacific Alliance that includes Mexico, Columbia, Peru, and Chile, makes it an exciting prospect to consider. These economies are slated to grow at a rapid pace in the coming years.

It means that the bank will not trade at its current valuation for long and provide significant capital gains as global economies recover. It could be the best time to pick up shares of the Canadian bank today.

Brookfield Renewable Partners

Clean energy companies are becoming increasingly popular, as the world focuses on shifting to green energy. **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is well positioned to provide its investors with significant returns when that boom happens. Trading for \$49.51 per share, Brookfield Renewable Partners is a cheap stock, considering its long-term growth potential. The stock boasts a 2.96% dividend yield at its current valuation.

Experts anticipate that the global investment in the renewable energy sector by the end of this decade will be around \$10 trillion. President Biden's commitment to investing billions into the industry provided it with a significant boost at the start of the year. The stock is trading for a 20% discount since January 8, 2021.

Brookfield Renewable Partners stock's share price has started increasing again, and it could be the ideal time to buy its shares.

Foolish takeaway

Bank of Nova Scotia stock is a considerably cheap stock to buy right now due to the company's potential to deliver stellar returns in the coming years due to its geographic diversification into lucrative markets in the Pacific Alliance.

Brookfield Renewable Partners is absurdly cheap right now due to the broad pullback in the renewable energy sector. The entire sector is on sale due to the pullback and Brookfield Renewable Partners looks well positioned to capitalize on the growing shift towards green energy in the long run.

The shares of both companies are unlikely to remain at the current valuations for a long time. It could be the perfect time to grab shares of Brookfield Renewable Partners stock and Scotiabank stock [before the companies reach sky-high valuations](#).

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1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

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2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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