2 of the Most Undervalued Canadian Stocks to Buy Right Now

Description

The stock market has performed far better than expected in 2021 so far. Despite investors' concerns about rising inflation and re-emerging pandemic cases, reopening economies, high consumer confidence, and upbeat corporate earnings are driving the stocks higher. As a result, the **TSX Composite Index** has inched up by 17% this year. However, some Canadian stocks still look undervalued based on their future growth potential. In this article, I'll highlight two such amazing stocks that I find to be the most undervalued in the Canadian market right now.

Magna International stock

Magna International (TSX:MG)(NYSE:MGA) is one of the largest auto parts suppliers in the world. The Aurora-based mobility company currently has a market cap of $31 billion at a market price of $103.57 per share. The company primarily focuses on supplying various auto parts, including vehicle powertrains, to automakers with its manufacturing, development, and sales operations in nearly 28 countries.

In the last few years, however, Magna has shifted its focus on developing advanced technological solutions for futuristic vehicles to gain from the emerging automotive market trends. For example, Magna partnered with the South Korean electronics giant **LG Electronics** last year to form a joint venture. The joint venture makes various key components of electric vehicles like onboard chargers, e-motors, inverters, and e-drive systems. Last week, both companies announced the formation of a new company called LG Magna e-Powertrain. The new company targets to have nearly 1,000 employees in the United States, South Korea, and China.

These recent developments showcase how Magna is striving to speed up its efforts to gain from the upcoming self-driving and electric vehicle revolution. Magna's bets on futuristic trends make its stock worth buying for the long term. In 2021 so far, its stock hasn't seen much appreciation, as it's currently trading with only 15% year-to-date gains.

BlackBerry stock

After losing its dominance in the smartphone industry more than a decade ago, **BlackBerry** (TSX:BB)(NYSE:BB) has emerged as a key enterprise security solution provider in recent years. At the same time, the company is trying to increase its footprint in the global automotive industry.

The Waterloo-based Canadian tech firm's well-known QNX operating system is already used in nearly 200 million vehicles worldwide. Apart from its expertise in providing security solutions to businesses, BlackBerry is now developing advanced technological solutions for the automotive market.

The company's intelligent vehicle data platform called IVY, which is under development, has already started receiving positive feedback from several large automakers. The IVY data platform will allow car companies to collect vehicle sensor data in real time to provide advanced functionalities and features to consumers.

BB is also keeping a close eye on China — the world's largest automotive and electric vehicle market. That's one of the reasons why it has partnered with the Chinese tech giant **Baidu**, which will allow its QNX Neutrino operating system to be used in upcoming mass-produced electric vehicles in the country. While BlackBerry stock has already risen by nearly 47% this year, I still find its stock undervalued, given its potential to gain from the emerging automotive industry trends.

CATEGORY

1. Investing
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2. NYSE:MGA (Magna International Inc.)
3. TSX:BB (BlackBerry)
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