



3 Canadian Stocks Under \$10 to Buy in August 2021

Description

Many Canadian stocks are hitting all-time highs after very strong earnings in July and August. Yet it is becoming harder to find stocks that still have significant upside. Often, value can be found in [smaller capitalized stocks](#) simply because large institutional investors are restricted from owning them. Here are three Canadian stocks trading under \$10 per share that could present attractive value from here.

An undervalued Canadian tech stock

It has been a volatile year for **Sangoma Technologies** (TSXV:STC) stock. Sangoma provide unified communications-as-a-service solutions for a broad range of small- to medium-sized businesses. It announced the acquisition of a large peer in the U.S. called Star2Star.

The acquisition will give it a broader line of higher-margin Cloud-based solutions. After the announcement, the stock shot up to \$4.80 per share. It has since dropped down to around \$3 per share.

Regardless, of the stock volatility, the acquisition provides scale, product diversity, and industry-leading profitability (75% margins). Sangoma is already [expecting fiscal 2021 results to exceed its outlook](#). Revenues and adjusted EBITDA could grow by as much as 30% and 20%, respectively.

This Canadian stock has a nice combination of growth and profitability. Regardless, it still trades at a significant discount to many other unprofitable peers. At some point, the market will realize this, and [this stock could see some upside](#).

Get exposure to European multi-family assets

If you are looking for a stock that pays a nice income stream at a fair valuation, then **European Residential REIT** ([TSX:ERE.UN](#)) is one for your radar. This Canadian stock trades for \$4.60 per share and pays a nice 3.5% dividend today. It owns and operates a portfolio of 6,184 apartment units in the Netherlands as well as some commercial properties in Belgium and Germany.

The Netherlands is an attractive geography for multi-family housing. It is densely populated, new housing supply is limited, and a high cost of living means many residents must rent for life.

European Residential is sponsored by **Canadian Apartment REIT**, which helps provide an acquisition pipeline and strong management platform. European Residential stock trades at a 20% discount to net asset value (NAV), despite most peers trading at or just slightly below NAV. Today, still looks like an attractive entry point.

A top Canadian mining stock

While I am not a huge fan of metal stocks or commodities, **Ivanhoe Mines** ([TSX:IVN](#)) might be one exception. In order to combat global warming and carbon emissions, society is drastically trying to transform through electrification.

This includes building out renewable power, expanding the electrical grid, and utilizing electric transportation technologies. That should all mean demand for copper should continue to rise.

That could play out very well for Ivanhoe. It is building one of the world's largest and highest-quality copper mines in the Democratic Republic of Congo. Undoubtedly, this jurisdiction has a significant amount of political risk, and investors need to account for that.

Yet, it just commenced production at its Kamoakakula mine and shipped out its first concentrates to a smelter. Today, copper prices are near multi-year highs. Ivanhoe could be primed for very strong revenue and earnings results in the near future.

This Canadian stock is risky, so only invest what you can afford to lose. The stock trades just below \$10 per share. However, given the trends above, it could be at the precipice of something really impressive in the future.

CATEGORY

1. Investing
2. Stocks for Beginners

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