2 Top Canadian Stocks That Are Cheaper Than Cineplex and Air Canada

Description

There's no question that **Air Canada** (TSX:AC) and **Cineplex** (TSX:CGX) stocks are two of the most impacted businesses from the pandemic. And because both of these stocks have been so impacted, the shares are trading well below where they were to start the pandemic.

This has many investors interested and wondering if they can buy Air Canada or Cineplex while they're still cheap.

However, much to the surprise of many, these stocks have had nowhere near the recovery that investors had hoped for.

The problem is that both Air Canada and Cineplex stocks have lost so much money that the new share prices are actually a lot closer to their fair value today.

So, although there may be some recovery potential, rather than waiting on these stocks to recover, here are two top Canadian businesses that offer far more potential today.

A top Canadian restaurant stock to buy

With the country recovering rapidly from the pandemic, one of the cheapest stocks to buy now is **Boston Pizza Royalties Income Fund** (TSX:BPF.UN).

The reopening of the economy has been crucial for everyone, but especially for retail businesses and restaurants. The summer weather is also helping, as patios are now open, but the biggest benefit for stocks like Boston Pizza is the return of indoor dining.

Despite this recovery by the economy over the last few months, Boston Pizza stock hasn't budged much yet. This is why it looks to be a lot cheaper than Cineplex or Air Canada stock.

The fund is still paying out just 56% of what it did before the pandemic. This has been going on for months now, so you would expect that as sales recover, Boston Pizza should increase the dividend.

And while you can't necessarily predict when the fund may increase the dividend, it should certainly be seeing a recovery in sales thanks to the lifting of restrictions.

So, I would expect Boston Pizza to continue to recover over the coming months, offering investors both capital gains potential and dividend growth. The fund will announce earnings tomorrow, so it will be crucial to see how its business has been performing lately.

At the current price, though, it still offers an exceptional dividend yield of 5.4%. And even if its payout was increased to just 75% of what it was before the pandemic, investors who buy today could see a yield as high as 7.2%.

A value stock cheaper than Air Canada and Cineplex

In addition to Boston Pizza, **Corus Entertainment** (TSX:CJR.B) continues to be one of the cheapest stocks in Canada.

Corus is a business I continue to recommend to investors. In addition to being cheaper than both Cineplex and Air Canada, it's actually one of the top value stocks in general.

The company currently trades at a forward price-to-earnings ratio of below seven times. Its dividend yields an impressive 4%, and the company has continuously been improving its financial position over the last few quarters.

There's no reason not to love this stock at this price, and analysts seem to agree. The average target price is over $8, which is just shy of a 40% upside for investors.

So, if you've been considering Cineplex or Air Canada, because you think they are cheap, I'd recommend that you consider Corus.

Not only are its operations in a much better position today, and the stock faces less risk going forward, but investors also have a lot more upside, making it a no-brainer buy today.

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TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
3. TSX:CGX (Cineplex Inc.)
4. TSX:CJR.B (Corus Entertainment Inc.)

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