Got $1,000? Buy These 3 Canadian Undervalued Stocks for Higher Returns

Description

Yesterday, the U.S. Commerce Department announced the retail sales for July, which were lower than expectations. The rising COVID-19 cases could have led to a higher-than-expected decline in retail sales, raising investors' concerns about a slowdown in the economic recovery. So, the Canadian equity markets were in the red yesterday. Amid rising volatility, here are three top value stocks that you can buy right now to earn superior returns over the next two years.

Air Canada

First on my list is **Air Canada** (TSX:AC). The pandemic-induced restrictions had forced the company to ground its aircraft, severely denting its financials and stock price. However, amid the widespread vaccination, the economic environment is improving. The company has resumed its trans-border flights between Canada and the U.S. on August 9. It operates 220 flights on 55 routes to 34 destinations in the United States.

Additionally, the company has also started its service to various destinations worldwide from the beginning of this month. Further, the company also focuses on expanding its cargo division by adding new aircraft amid rising demand. Meanwhile, Air Canada has also strengthened its financial position by raising funds through various debt facilities. So, the company is well equipped to ride out this crisis and also fund its growth initiatives.

Despite its healthy growth prospects, the company trades at attractive valuations. Its forward price-to-sales multiple stands at 0.7. So, I believe Air Canada offers an excellent buying opportunity.

Cineplex

The pandemic had also hurt the entertainment industry, including **Cineplex** (TSX:CGX), due to the closure of entertainment avenues. However, amid the easing of restrictions, the company has reopened all its screens from July 17. It has also launched a movie subscription program called CineClub for $9.99 per month. Meanwhile, the company is implementing its VenueSafe measures to make its avenues safe and comfortable for family viewing.

Along with these initiatives, the expansion of vaccination programs, pent-up demand, and postponement of movies from the previous year to this year could boost Cineplex's financials in the coming years. Its cost-cutting initiatives and solid financial position provide healthy growth prospects. Meanwhile, the company still trades over 60% lower from its January 2020 levels. Its forward price-to-sales multiple stands at an attractive 0.6. So, amid an improving business environment and attractive valuation, I expect Cineplex to deliver superior returns.

BlackBerry

My final pick is **BlackBerry** (TSX:BB)(NYSE:BB), which trades over 66% lower from its January highs. The steep decline provides excellent buying opportunities given its multiple growth drivers. By standardizing data access across all vehicles, the company's IVY platform allows developers to bring their solutions and products to the market quickly. It could also help automakers securely read vehicle sensor data and provide in-vehicle services, thus enhancing driver and passenger experiences.

Meanwhile, BlackBerry continues to strengthen its presence in the automotive sector, with 28 design wins in the May-ending quarter. The growth of software components in vehicles and expanding EV market also provide excellent growth prospects.

The company has also strengthened its position in the growing end-point security market by launching BlackBerry Optics 3.0, BlackBerry Gateway, and BlackBerry Jarvis 2.0. So, given its healthy growth prospects and a significant discount on its stock price, I am bullish on BlackBerry.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:AC (Air Canada)
3. TSX:BB (BlackBerry)
4. TSX:CGX (Cineplex Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. rnanjapla

Category

1. Investing
2. Tech Stocks

Date
2025/08/26
Date Created
2021/08/18
Author
rnanjapla