



## 3 Undervalued Canadian Stocks to Buy This Week

### Description

The Canadian stock market has had a great year in 2021. This has led many market commentators to believe there could be some sort of pullback in the fall. They could be right. However, I find it is never best to try to time the market. No one can predict the future, and no one can know if stocks will stall or push forward.

I find the best way to invest is by consistently putting some extra savings into stocks of great-quality businesses. In the near term, these investments are sure to fluctuate. However, I plan to hold these businesses like a partner or an owner.

That often requires patience, commitment to my investment thesis (unless there is a material change), and a long-term mindset. I have found that over the long term, day-to-day market “noise” matters less and less as time rolls on. If you are not afraid to be a long-term business owner, here are three top [undervalued Canadian stocks](#) I would buy this week.

### A top Canadian dividend stock

I like to have a few Canadian dividend stocks in my portfolio. Dividend income is a great way to offset short-term equity volatility. Even when the market is down, high-quality stocks still pay out attractive quarterly or monthly dividend returns. That is why I like **TELUS** ([TSX:T](#))([NYSE:TU](#)).

Over the past five years, TELUS has raised its dividend on average by 7.1%. While it yields 4.4% today, it actually raised its payout by 8.6% this year. The company has been leading the market in net customer additions. Likewise, it has rapidly been expanding its fibre optic network and 5G capacity.

The big differentiator is its fast-growing pipeline of technology vertical businesses. In Canada, TELUS is becoming a leader in virtual health and agri-tech. Not to mention, it just spun-off its exciting digital services business, [TELUS International](#). The market has yet to fully value its share in these fast-growing businesses. As a result, I believe there is attractive capital upside and fairly certain dividend growth going forward.

## A top value stock

Generally, *e-commerce* is not a word associated with Canadian value stocks. Yet, when it comes to **Intertape Polymer Group** ([TSX:ITP](#)), e-commerce is a huge part of its growth story. It is becoming a leading provider of tapes, wraps, and packaging materials across the world.

If you find yourself collecting more **Amazon** packages every week, chances are good they use Intertape's water-activated tapes to seal them. Over the past few years, the company has rapidly expanded its product mix for the e-commerce industry. Consequently, it saw record results in 2020.

Just last week, [it announced strong second-quarter results](#). Revenue and adjusted EBITDA increased year over year by 41% and 60%, respectively. Despite having an elevated growth profile, this Canadian stock is still cheaper than its peers. As a result, this stock is great buy today.

## A top Canadian growth stock

**Calian Group** ([TSX:CGY](#)) is a Canadian stock that gives investors growth, value, and income. While it is not a household name, it provides mission-critical solutions for high-quality counterparties like the Canadian Armed Forces, NATO, and the European Space Agency.

I like this business, because it has four unique, diversified segments (healthcare, education, IT/cybersecurity, and advanced technology). This provides a unique hedge should any one segment slow or face challenges.

Fortunately, right now, every segment is growing rapidly, so that is hardly a worry. It just reported year-over-year growth in each segment that was between 15% and 65%!

Overall, in 2021, Calian is targeting revenue and adjusted EBITDA growth of +16% and +30%, respectively. This Canadian stock pays a 1.7% dividend and trades for only 17 times this year's adjusted earnings. It still looks like an attractive buy today.

### CATEGORY

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2. Stocks for Beginners

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2. TSX:CGY (Calian Group Ltd.)
3. TSX:ITP (Intertape Polymer Group)
4. TSX:T (TELUS)

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