



4 Undervalued Stocks to Buy With Just \$500

Description

Undervalued stocks are the perfect purchase, but it doesn't always mean Motley Fool investors are looking at a [share price](#). Sure, it'd be nice to hit that maximum contribution room of around \$6,000 in your Tax-Free Savings Account (TFSA) each year. But we can't all do that — especially with the potential for stagflation in our future.

Instead, let's say you only have \$500 to invest right now. Then Motley Fool investors can just leave that alone until you can afford more down the line. No problem! It's better to have some investments than no investments. So, here are four undervalued stocks I would consider buying with just \$500.

Buy a Big Six

The Big Six banks fared well during the pandemic. We pretty much all heard that. But these banks have done well in the past as well, preparing for market crashes beforehand and soaring within a year. That was the same this time around as well. Analysts remain bullish on banks, even with the Delta variant on the rise.

An economic recovery is on the way, and the Big Six banks will be a major part of it. One of the top picks by analysts today is **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)). The bank massively outperformed the rest of its peers during earnings. Yet it remains undervalued with a P/E ratio of 12.48! Shares are up 60% in the last year, with analysts predicting further growth around 13%.

Cheap cannabis

Now that you've purchased a pricey stock, let's look at [something cheap](#). Cannabis stocks remain down due to future uncertainty. Yet **Auxly Cannabis Group** (TSXV:XLY) remains one of the few cannabis stocks performing well! The cannabis stock beat analyst estimates, with revenue hitting \$20.9 million, ahead by 39%! This likely comes from the company's diversified revenue streams, thus creating sales growth for the company.

Analysts believe the company will continue to outperform peers, with shares up 13% in the last year though the average potential upside is a whopping 81%! Further, it remains incredibly cheap at just \$0.25 per share. That's an easy way to double your money should analysts prove correct among these undervalued stocks.

Find food

Food: we will [always need it](#). And we will always need ways to tend it. That's why **Cervus Equipment** (TSX:CERV) is the perfect long-term hold. The company provides equipment to the agriculture industry and has been growing like a corn stalk lately. The company recently acquired Brandt Tractor for \$302 million, proving more growth is on the way.

This came during better-than-expected results for the quarter, making it a buy among undervalued stocks. Shares are up 124% already this year! Yet it offers an incredible P/E ratio of just 10.16. On top of that, Motley Fool investors can latch onto a 2.8% dividend yield among future growth.

Stay healthy

Finally, pharmaceutical companies are back on the rise with COVID-19 slowly getting under control. **HLS Therapeutics** ([TSX:HLS](#)) is one such benefactor, recently partnering with **Pfizer** to market a new cardiovascular drug in Canada. This has analysts moving the company into the range of "outperform."

With Pfizer moving towards the future rather than the pandemic past, a company like HLS will be a revenue stream to look forward to. Pfizer investing in this product makes analysts believe there will be practically guaranteed success. Yet it remains relatively cheap at just \$17.57 per share, up just 7.7% in the last year. And analysts give it a potential upside of almost *double* that amount! So, this is definitely one of the other undervalued stocks to buy today while still cheap.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:HLS (HLS Therapeutics Inc.)

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