



2 Top Canadian Stocks to Buy While They're Still Cheap

Description

It's hard to believe that the Canadian market is up 70% in less than two years. It's been almost a straight ride up for investors after the market crashed in March 2020 due to the pandemic.

We're still not yet past the COVID-19 pandemic, but the market is full of bullish investors, as we're slowly nearing the country's reopening.

The current bull run has sent many **TSX** stocks to sky-high valuations. It's not uncommon for a [top growth stock](#) to be trading at a price-to-sales ratio above 30. Some of the leaders in the tech sector are even trading in a range above 50.

I'm as bullish as the next Canadian investor on the likes of **Shopify** and **Lightspeed**, but the current market's valuation has me searching for more [value-oriented](#) buys.

If you're looking to pick up shares of an [undervalued stock](#), you should check out these two Canadian companies.

Northland Power

Renewable energy investors enjoyed a year full of gains in 2020. The newly elected U.S. president Joe Biden sent green energy stocks soaring even higher towards the end of 2020. It's been a different story this year, though.

The same U.S. president is still at the helm, but renewable energy stocks have come to a halt this year. Many leaders in the sector have not only trailed the market's returns this year but are trading at a loss.

It's not a surprise to see the sector go through a correction after a strong couple of years. So, if you're a long-term investor, now would be a wise time to pick up shares of a discounted renewable energy stock.

At a market cap of close to \$10 billion, **Northland Power** ([TSX:NPI](#)) is one of the largest renewable energy providers in Canada. Not only is it one of the top players in the country, but it has an

international presence as well with operations in North and South America, Europe, and Asia.

Similar to other leaders in the sector, Northland Power produces a range of different renewable energy options. Wind, solar, and hydro are three areas of the market that Northland Power specializes in.

Shares of Northland Power are up a market-beating 75% over the past five years. And that's not even factoring in the stock's \$1.20 dividend, either.

Canadian investors in search of just one renewable energy stock to own should seriously consider Northland Power. Whether you're looking for growth, value, or passive income, this stock deserves a spot on your watch list.

Sun Life Financial

Insurance is one industry that I don't see going away anytime soon. It's certainly not the fastest-growing area of the market, but that doesn't mean an insurance leader doesn't belong in a long-term investment portfolio.

Similar to Northland Power, **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) offers a lot to its shareholders. Stability, value, and a top dividend would be the three main reasons I'd have Sun Life on my watch list today.

You can't count out market-beating growth, too, though — especially when you factor in the 3.3% dividend yield, Sun Life is no stranger to outperforming the Canadian market.

You'd be hard-pressed to find another market-beating stock trading at a cheaper price than Sun Life. Shares are valued at a forward price-to-earnings ratio barely above 10. Considering it's up a market-beating 60% over the past five years and yields more than 3%, I'd say it's trading at an absolute bargain price.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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