



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

Description

The market's high price doesn't mean Canadian investors can't find any value on the **TSX** today. Even though the market is up 15% year to date, there are plenty of high-quality Canadian stocks [trading at a discount](#).

The pandemic has created all kinds of volatility over the past year and a half. As a result, many market-leading companies have seen shares prices get slashed during this pandemic.

In the short term, it's been very difficult to predict market movements. But if you're a long-term Foolish investor, the pandemic has presented lots of interesting buying opportunities.

I've reviewed two [top Canadian stocks](#) that are trading at a discount right now. Both have trailed the market year to date and are trading below all-time highs.

Still, they've still managed to crush the market's returns over the past five years. And I'm betting they'll continue to be market beaters for the next five, too.

Canadian stock #1: Brookfield Renewable Partners

Renewable energy is one area of the market that I'm constantly recommending investors to have exposure to. Growth has been steadily rising for a few years now, but I think the best is yet to come for renewable energy stocks.

For long-term investors, now's a perfect time to be loading up on green energy stocks. The sector as a whole has been lagging the market's returns this year. It's only a matter of time, though, before the renewable energy leaders return to delivering market-beating growth.

One of my top picks on the TSX is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). The \$14 billion company is not only a leader in Canada but across the entire globe. It also offers its global customers a range of different renewable energy solutions.

The Canadian stock is down 10% year to date and close to 20% below all-time highs. Still, shareholders have enjoyed a gain of 140% over the past five years.

If you're looking for exposure to the growing renewable energy sector, you won't find many better options than Brookfield Renewable Partners.

Canadian stock #2: Kinaxis

Kinaxis ([TSX:KXS](#)) is another Canadian stock that has struggled in 2021. The [tech stock](#) has trailed the market this year but it's looking like it's ready to return to all-time highs. Shares are up just 5% year to date, but the stock has been riding a 40% bull run since the beginning of June.

Kinaxis stock initially dropped during the COVID-19 market crash last year, but it didn't take long to rebound. Demand for the tech company's supply chain management software surged, as the pandemic created all kinds of changes in consumer purchase behaviour.

Kinaxis's software became that much more important, as businesses tried to keep up with the changes in consumer demand. The rise in demand for Kinaxis products and services led to the stock doubling in barely over three months last year.

It's been a volatile ride for Kinaxis shareholders over the past five years. Those that have been patient have been well rewarded, though. The Canadian stock is up a market-beating 215% since mid-2016.

When investing in a growth stock, volatility should be expected to a certain degree. Kinaxis stock trades at a price-to-sales ratio above 20. Its valuation is comparable to its tech peers, but it's still an expensive stock compared to the broader market's valuation.

The trade-off with the high price is that Kinaxis shareholders have the possibility of earning market-beating growth. And if that's what you're looking for, I believe that Kinaxis is well worth the price that it's trading at today.

CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:KXS (Kinaxis Inc.)

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