



## The 2 Best Canadian Stocks to Buy While They're Still Cheap

### Description

It's been a great year for Canadian investors. The **S&P/TSX Composite Index** is nearing an incredible 20% gain since the beginning of 2021. Even with all the uncertainty still surrounding the COVID-19 pandemic, investors are showing they're as bullish as ever.

While I'm as bullish as the next Canadian investor, I'm also wary of the market's valuation. It's not cheap to be investing in Canadian stocks today. And as long as this bull run continues, I'll likely be staying around from any high-priced growth stocks.

Since my portfolio predominantly consists of growth stocks, I'm looking for a value play for my next buy. Just because the market is trading at all-time highs doesn't mean there aren't any deals to be had.

Here are two [top Canadian stocks](#) that long-term Canadian investors should seriously consider picking up shares. I know I am.

### Canadian stock #1: TD Bank

The Canadian banks offer investors some of the top value opportunities on the **TSX** today. The Big Five are all trading at very [reasonable prices](#) right now and have still managed to put up decent growth this year too.

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is at the top of my watch list. Its forward price-to-earnings ratio of barely over 10 is hard to ignore today. For a Canadian stock that's trading at an absolute bargain, there's a lot to like about it.

The \$150 billion bank likely won't be lighting the world on fire with its growth anytime soon. It's slow and steady for TD Bank. Still, the bank stock is up a market-beating 40% over the past five years and a market-crushing 115% over the past decade.

On top of its growth potential, TD Bank provides shareholders with a dividend that's hard to match. At today's stock price, its annual dividend of \$3.16 per share is good enough for a yield just shy of 4%.

As a growth investor myself, I wouldn't normally have a slower-growing [Dividend Aristocrat](#) like TD Bank on my radar. But with valuations across the TSX rising, I'm hoping that this bank stock can provide my portfolio with some stability and market-beating growth over the long term.

## Canadian stock #2: Algonquin Power & Utilities

Speaking of reliable dividend-paying companies, **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is another stock near the top of my watch list.

Its dividend yields above 4% today, but passive income isn't the main reason this Canadian stock is on my radar.

Utility companies have historically been some of the most dependable investments for years. A major reason is that customers will continue to depend on their utility provider no matter the condition of the economy. That makes revenue streams much more predictable than most companies.

The reason I have my eye on this utility company is because of its growth potential. Growth isn't typically the main selling point of a utility stock, but it is one with Algonquin Power & Utilities.

The \$12 billion company owns and operates renewable energy facilities across North America. It might not be a top green energy player in the continent, but it is a growing sector that Algonquin Power & Utilities will likely benefit from for years to come.

Shares are up more than 70% over the past five years. It is, however, trading 10% below all-time highs. So if you're looking for either some stability in your portfolio or exposure to the growing renewable energy sector, now's a wise time to start a position in this Canadian stock.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:TD (The Toronto-Dominion Bank)

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