



2 Undervalued Canadian Stocks to Buy Hand Over Fist This Month

Description

Finding undervalued stocks is one of the best and most popular ways to put your money to work. But in this environment, there are hardly any high-quality stocks trading undervalued.

Whenever a stock is trading undervalue, there's often an underlying reason for the discount. Investors see some type of risk that is causing the stock to trade on the cheap.

That doesn't mean that the stock may be oversold. But stocks don't necessarily trade undervalue for no reason. So it's up to investors to figure out why these stocks are cheap and whether or not the risk is worth the reward.

With that in mind, here are two of the top undervalued Canadian stocks you'll probably want to buy this month.

One of the top undervalued stocks to buy today

If you're looking to buy an undervalued stock, I'd strongly recommend you consider **Corus Entertainment** ([TSX:CJR.B](#)).

Corus is a media company that's business is mostly made up of TV assets: a streaming service, and a content creation business.

The stock has been undervalued for over a year, as it was impacted by the pandemic. In fact, Corus's business was impacted a little longer than most stocks that saw a quick recovery after the initial [market pullback](#).

By now, though, it has rebounded well and shouldn't necessarily be impacted by the pandemic anymore.

At first, it was a loss of advertising on TV that caused the business to see the biggest impact and caused the stock to trade well undervalued. An impact on advertising isn't really an issue anymore.

And if anything, the pandemic could serve as a tailwind for Corus if we get more shutdowns, especially in the cold winter months, which would force many to stay inside and watch TV or streaming services.

While debt also used to be an issue, it's been reduced considerably in recent years. Even through the worst of the pandemic, Corus was earning positive cash flow and paying down debt. So it's much less of a concern today than it was a few years ago.

This is leaving the stock ultra-cheap, especially given it also has growth potential too. Corus has been improving its operations for some time, of course shifting part of its business to streaming, but also more recently focusing on ramping up its content creation business.

This gives investors a tonne of opportunities, making it one of the best-undervalued stocks you can buy today.

The stock is trading at a forward price to earnings ratio of just 6.9 times. Furthermore, its [enterprise value](#) to [EBITDA](#) ratio is just 5.4 times.

It's clearly a business with a tonne of long-term potential. Plus, even if it doesn't grow its operations at all, you're still getting an incredible deal at this price today.

A top Canadian gold stock

In addition to Corus, another undervalued stock you may want to consider in this market environment is a company like **B2Gold** ([TSX:BTO](#))([NYSEMKT:BTG](#)).

Most value stocks you look for in this environment will come with some significant risk. And almost all of that risk will have to do with the potential for a resurgence of the virus and more shutdowns.

B2Gold is an attractive option for investors because it already has some natural catalysts to rally. But if a resurgence of the pandemic were to materialize, rather than being impacted severely like other undervalued stocks, B2Gold, as well as other gold stocks, would likely see another major rally.

Gold is a safe-haven asset. As a result, investors tend to buy gold, and prices tend to rise as fear in markets picks up.

So buying a [gold stock](#) today could be a prudent investment in this environment. Plus, on top of the catalysts that gold prices have to rally, stocks like BTO are also extremely cheap.

Currently, the stock trades at a forward price to earnings ratio of just 6.8 times. In addition to being ultra-cheap, it pays a dividend that currently yields 4.3%, which is extremely attractive for a gold stock.

So if you're looking for a top undervalued stock to buy today, B2Gold offers investors a tonne of advantages.

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2. TSX:BTO (B2Gold Corp.)
3. TSX:CJR.B (Corus Entertainment Inc.)

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