2 Undervalued Stocks to Buy While They're Still Cheap

Description

Undervalued stocks present a great opportunity for investors. But you need to take advantage of the discount when you see a stock trading undervalued and buy it quickly.

Often, these stocks aren't undervalued for very long, especially the best ones. Investors recognize that the stocks are cheap, and before you know it, the discount no longer exists.

We saw this earlier this year with an impressive growth stock like **Shopify**. It started the year at roughly $1,500 a share, gained to $1,900 a share by February, then sold off considerably, which created an excellent buying opportunity for long-term investors.

By May, the stock was worth just $1,250 a share — an incredible discount. Then just as quickly as it sold off, savvy investors recognized the opportunity, and soon, by the end of June, Shopify had recovered and was back up to its all-time high.

These high-quality value stocks have the ability to rally rapidly, as investors notice the opportunity. This can be helped even faster by some strong earnings reports, which help put the company back in the spotlight.

So, if you're looking for a top undervalued stock to buy today, I'd be looking to buy these two as soon as possible.

An undervalued frozen seafood stock to buy now

One of the cheapest stocks in Canada right now for investors to strongly consider adding to their portfolios is **High Liner Foods** (TSX:HLF).

High Liner is a leading processor and marketer of frozen seafood in North America. The company sells its products in almost every grocery store across Canada, the United States, and Mexico.

Furthermore, it also has a wholesale business where it supplies numerous restaurants with top-quality frozen seafood.

The company has built an impressive portfolio over the years of top-of-the-line branded products that consumers have come to know and trust. Furthermore, it has an impressive process and operations that see High Liner operate in many parts of the world, while it sustainably sources all the high-demand seafood that North American consumers enjoy.

Besides the fact that it's a high-quality company, though, the number one reason to buy High Liner Foods today is that it's one of the most undervalued stocks in Canada.

At current prices, High Liner has a forward price-to-earnings ratio of just 10.1 times. That's one of the cheapest valuations on the market. Plus, it even pays a 2% dividend that investors can collect while waiting for the stock to rally back to fair value.

So, if you're looking for a top undervalued stock to buy today, High Liner Foods is certainly one of the top companies to consider.

A top Canadian media stock

The other top undervalued stock for Canadians to consider buying today is **Corus Entertainment** (TSX:CJR.B). Corus Entertainment, the TV and radio company, has been cheap for years now.

However, in the past, there was a reason for the stock to trade at a discount. Today, though, after Corus has sorted out several issues and put in some impressive work to improve its operations, the massive discount is no longer warranted.

This is creating a major opportunity for investors to buy this undervalued stock before it inevitably rallies.

While High Liner is cheap, trading at a forward price-to-earnings ratio of just 10 times, Corus is even cheaper. Below $6 a share, Corus is trading at a forward price-to-earnings ratio of just 6.9 times. This makes it one of the most undervalued stocks on the market and a top buy for long-term investors.

Corus is so cheap that it's only trading a little over four times its free cash flow, which has consistently been between $1.30 and $1.60 a share since 2017.

On top of everything else, Corus too pays a dividend that currently yields 4%. So, if you're looking for a top undervalued stock to buy in this environment, Corus Entertainment offers several advantages.

CATEGORY

1. Investing
2. Stocks for Beginners

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1. Editor's Choice

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1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:HLF (High Liner Foods Incorporated)

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