Canadians: 3 Bargain Stocks to Buy Now

Description

The **S&P/TSX Composite Index** rose 89 points on September 21. Canadian stocks managed to bounce back after a brutal start to the week. Investors should recall that pullbacks in the past have offered terrific opportunities to snatch up undervalued equities. Today, I want to look at three bargain stocks that are worth buying after the recent market dip. Let's dive in.

This top grocery retailer looks like a bargain stock today

Metro (TSX:MRU) is a Montreal-based grocery retailer. Its shares have climbed 3.9% in 2021 as of close on September 21. However, this bargain stock has plunged 5.7% month over month. It sustained a sharp loss in the beginning of this week.

The company released its third-quarter 2021 results on August 12. Sales rose 11.6% from the prior year to $5.83 billion. Meanwhile, food same-store sales delivered growth of 15.6%. Adjusted net earnings increased 18.2% to $272 million. Overall, it was a strong quarter for Metro, as it continued to expand its online food sales operations.

Shares of this bargain stock last had a favourable price-to-earnings (P/E) ratio of 18. Better yet, it possesses an RSI of 28 at the time of this writing. That puts Metro in technically oversold territory. This top grocery retail stock looks like a great pick up after the recent dip.

Canadians should not sleep on this undervalued energy stock

Parkland (TSX:PKI) is a Calgary-based company that markets, distributes, and refines fuel and petroleum products in North America and around the world. Shares of this bargain stock have declined 15% in the year-to-date period. The stock has slipped sharply following the release of its second-quarter 2021 results on August 5.

In Q2 2021, Parkland achieved adjusted EBITDA growth of 69% to $322 million. Meanwhile, adjusted earnings surged $106 million from the prior year to $96 million, or $0.64 per share. The company was bolstered by organic growth, strong marketing performance, and high utilization at the Burnaby refinery. Moreover, it upped its adjusted EBITDA guidance for the full year.

Despite this, Parkland succumbed to broader volatility in the oil and gas space. Shares of this bargain stock possess a P/E ratio of 51. This puts Parkland in solid value territory compared to its industry peers. It last had an RSI of 22, well into oversold levels. Parkland offers a monthly dividend of $0.103 per share, representing a 3.5% yield.

One more bargain stock to snatch up as inflation climbs

The only TSX sector that failed to post a rebound on September 21 was base metals. **Lundin Mining** (TSX:LUN) is a Toronto-based base metals mining company. Commodities were on fire to start 2021 but have since calmed down by the midway point. However, rising inflation means that Lundin and its peers are still worth watching. Its shares have dropped 26% in the year-to-date period.

Lundin unveiled its second-quarter 2021 earnings on July 28. Revenue was reported at $872 million — up from $533 million in the previous year. Meanwhile, adjusted earnings more than tripled to $226 million.

This bargain stock last had a very favourable P/E ratio of 8.1. It possesses an RSI of 26, meaning it is in technically oversold territory. Better yet, Lundin offers a quarterly dividend of $0.09 per share. That represents a solid 4.1% yield.

CATEGORY

1. Investing

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2. TSX:MRU (Metro Inc.)
3. TSX:PKI (Parkland Fuel Corporation)

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