



2 Undervalued Canadian Stocks to Buy Before it's Too Late

Description

It's been a great year for Canadian investors so far. The **S&P/TSX Composite** Index is nearing a 20% gain and doesn't seem to be slowing down just yet.

The Canadian stock market has been riding this incredible bull run since the market crash in early 2020. Since then, it's been a steady trend upward for most of those invested in Canadian stocks.

I'm as bullish as the next investor in the long-term growth of the stock market, but that doesn't mean I'm completely ignoring the market's valuation today. It's no secret that the TSX is full of high-priced [growth stocks](#) trading at sky-high valuations.

Just because the market as a whole seems overpriced doesn't mean you need to be sitting on the sidelines, though. I've reviewed two [top Canadian stocks](#) that are trading at very attractive prices right now.

Brookfield Renewable Partners

If you were thinking of increasing your exposure to the renewable energy sector, now's the time. Many of the top green energy stocks on the TSX are trading below all-time highs, as the sector as a whole has been going through a selloff in recent months.

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) would be my pick if I had to own only one renewable energy stock. The company provides its shareholders with broad diversification to the growing sector, market-beating growth potential, and an impressive [dividend yield](#).

Shares are down 20% from all-time highs, but the stock is still up a market-beating 125% over the past five years. And that's not even including the Canadian stock's very respectable 3% dividend yield.

From a valuation perspective, Brookfield Renewable Partners isn't exactly a cheap stock. But considering the growth that it has put up in recent years and what it is expected to deliver over the next decade, this is a dip that I'd strongly encourage long-term investors to take advantage of.

Air Canada

My opinion on Canada's largest airline, **Air Canada** ([TSX:AC](#)), has changed this year. I was originally bearish — not specifically on Air Canada but on the entire air travel industry.

The Canadian stock lost 70% of its value in barely over a month during the COVID-19 market crash. The uncertainty in the future of air travel was the main reason why I wasn't interested in Air Canada. But as we're slowly understanding how to live alongside the COVID-19 virus, the air travel experience doesn't look all that different.

The airline industry hasn't historically been the most-rewarding area of the market for North American investors. Air Canada has been somewhat of an exception to that.

Even with a massive drop in 2020, Air Canada stock has still more than doubled the returns of the Canadian market over the past five years. It's also more than a 10-bagger going back a decade. There aren't many Canadian stocks on the TSX that can compete with that type of growth.

Air Canada is still trading 50% below all-time highs, even after its impressive run since early 2020. We're already witnessing a return to air travel in Canada so I don't think it will be long before the Canadian stock is back to all-time highs.

CATEGORY

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2. TSX:AC (Air Canada)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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Date

2025/07/06

Date Created

2021/09/28

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