



Sitting on Cash? 2 Undervalued Canadian Stocks to Buy Now

Description

Since the start of the year, the market has been on a roll, with many sectors continuing their recovery and the reopening of the economy going well. Therefore, many investors may understandably have a tonne of cash on the sidelines, waiting for the top Canadian stocks to be undervalued once again.

And now, after a choppy few weeks in markets, Canadian investors may finally be getting their chance to buy some of the highest quality stocks while they trade undervalued.

It's crucial whenever these opportunities present themselves to take full advantage. Because not only do these opportunities not happen very often but keeping cash on the sidelines for long periods will be a drag on the performance of your portfolio.

So with that in mind, here are two undervalued Canadian stocks to buy right now.

A top Canadian gold stock trading extremely undervalued

One of the most popular Canadian stocks you can buy that's significantly undervalued right now is **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD).

Barrick is one of the largest gold producers in the world. The stock has a market cap of \$40 billion *today*, where the stock is trading down 40% from its 52-week high.



As you can see from the chart above, it's been a rough 12 months for Barrick. However, what's also noticeable is the major divergence between the performance in gold prices and Barrick's stock.

Falling gold prices will definitely impact producers. However, a 7.5% decline over a year shouldn't cause one of the largest producers in the world to lose more than a third of its value. It's clear the popular Canadian stock has become extremely undervalued, and today presents an excellent opportunity.

Currently, the massive [gold stock](#) trades at a forward price to earnings ratio of just 14 times. Furthermore, its forward enterprise value to EBITDA ratio is just 5.5 times, which is extremely cheap.

So if you're looking to buy a top Canadian stock today that's undervalued, they don't get much cheaper than Barrick stock is today.

A green energy stock to buy while it's cheap

In addition to Barrick, another massive Canadian stock trading undervalued today is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield Renewables is a massive green energy stock worth nearly \$13 billion. The company has roughly 9.0 gigawatts of net renewable energy generating capacity, sourced from hydro, wind, solar and thermal facilities. The stock is currently down over 25% from its 52-week high, offering investors

an excellent opportunity to take a position today.

Green energy is an industry we can all agree has decades of growth potential. And not only is Brookfield one of the largest green energy stocks, but it's also one of the best-managed companies in the space as well.

This makes Brookfield an excellent long-term [growth stock](#). And because it's significantly undervalued today, the Canadian stock is one of the best opportunities for investors to consider.

One of the biggest factors in Brookfield's long-term growth is its ability to make acquisitions. However, the stock also has a tonne of organic growth potential. Management expects to grow its normalized funds from operations per unit by up to 11% annually over the next five years — and that's without taking into consideration any acquisitions it might make.

This is why Brookfield Renewables is one of the best Canadian growth stocks to buy now if you're looking for an undervalued investment. Plus, the stock even pays a dividend which currently yields a respectable 3.25%.

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2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:ABX (Barrick Mining)
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