



3 Top Undervalued Canadian Stocks to Buy in Q4

Description

Heading into the fourth quarter, the market has had a remarkable recovery all year. Many Canadian stocks were undervalued to start the year, and despite a rough September, the economy and stock market have had excellent recoveries for the most part.

That doesn't mean that there aren't plenty of high-quality stocks that you can buy undervalued, though.

So if you're a value investor looking to buy a high-quality stock today, here are three stocks that are considerably undervalued.

A top Canadian financial stock trading significantly undervalued

One of the best Canadian stocks you can buy that's trading undervalued today is **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)).

Manulife is a massive financial services company with operations all over North America and growing rapidly across Asia. The growth potential in Asia gives it a tonne of opportunity to expand its business over the long run.

Plus, in the nearer term, as interest rates inevitably increase, Manulife has a tonne of potential to see its profits and, therefore, its stock price skyrocket.

Because this top Canadian stock is so cheap, now is the perfect time to take a long-term position. And the stock even yields more than 4.5%, making it a top choice for [dividend investors](#).

I wouldn't wait too long to buy this undervalued Canadian stock, though. There is a tonne of catalysts for a significant rally in the near term. So if you're looking for a stock to watch in the fourth quarter, I'd put Manulife at the top of your list.

An under-the-radar stock to buy while it's cheap

Another undervalued Canadian stock that you may want to buy in the fourth quarter is **Andrew Peller** ([TSX:ADW.A](#)).

Andrew Peller is a Canadian wine and alcoholic beverage maker with a significant share of the domestic market. The company has been struggling for growth in the last few years.

Even with numerous product launches and several of its own retail stores, sales have mostly stayed flat, and the stock has fallen out of favour.

In the meantime, though, just because sales have been barely growing in recent years doesn't mean the stock can't offer attractive value.

And Andrew Peller is an excellent company to own, especially for the long run, as it is consistently profitable. Over the last five years, the stock has consistently earned investors between \$20 and \$30 million of net income each year.

And with the Canadian stock shedding some non-core assets recently, now may be the time to buy the undervalued stock.

If Andrew Peller's efforts are successful, the growth the company has been searching for could finally materialize. This is why I'd watch the stock carefully over the fourth quarter.

Because if you can buy the stock cheap today, at just over 12 times its forward earnings, and then it can begin to expand its operations again, the investment is one that will pay off significantly for years.

A massive Canadian gold stock

Last but not least, here's one of the largest and best gold stocks in Canada, **Agnico-Eagle Mines** ([TSX:AEM](#))([NYSE:AEM](#)). Agnico has long been one of the best gold stocks you can buy.

The company has consistently had low costs, allowing it to earn incredible amounts of cash flow. So even as prices of gold have been declining over the last few quarters, Agnico has still been as profitable as ever.

And with the recent announcement of its acquisition of **Kirkland Lake Gold**, it's set to become one of the major powerhouse producers in the industry.

Currently, you can buy for Agnico for just under 6.0 times its forward [enterprise value](#) to EBITDA ratio. That's considerably cheap.

The stock is down more than 10% in the last three months compared to gold which has lost only 1% of its value. So it's clear that the Canadian gold stock is undervalued and that now is the perfect time to buy.

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1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:ADW.A (Andrew Peller Limited)
4. TSX:AEM (Agnico Eagle Mines Limited)
5. TSX:MFC (Manulife Financial Corporation)

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