



3 Canadian Stocks That Have No Business Trading This Undervalued

Description

By now, after more than a year of seeing the market rally and the economy recover, it's no secret that hardly any Canadian stocks trade undervalued anymore.

So those that are still cheap and offer value are even more of a rare and unique opportunity you'll want to take advantage of.

In markets like these, though, it's crucial that investors don't try to force investment and buy lower-quality stocks just because they look cheap. Buying a value trap is a significant mistake. So before you even consider pulling the trigger, make sure the company is a high-quality business that you'd be happy to own long-term.

With that in mind, if you're looking for a Canadian stock to buy that's trading undervalued, here are three that have no business being this cheap.

A top Canadian value stock reporting earnings this month

One of the best Canadian stocks you can buy today that's significantly undervalued is **Corus Entertainment** ([TSX:CJR.B](#)). The company is one of the best Canadian [value stocks](#) on the market and quite possibly offers the best risk-to-reward profile of any company today.

Corus is a media company that earns most of its money from commercials on its TV channels, subscribers to its specialty channels and streaming services, and the content that it creates and sells.

While the pandemic impacted it slightly, and debt used to be a significant issue, neither should be that much of a concern today. Yet, the stock continues to trade extremely cheaply, making it one of the best opportunities for investors to consider.

The company currently trades at a forward [price-to-earnings ratio](#) of just 6.5 times. Furthermore, its net debt to EBITDA ratio is just 2.8 times, which is very manageable, especially for a stock like Corus that earns tremendous free cash flow.

The stock even pays a dividend which currently yields 4.25%. So if you're looking for an undervalued Canadian stock to buy, now may be the time to pull the trigger. Corus reports earnings later this month, and I can't imagine the stock staying this cheap for much longer.

A top frozen food company with long-term upside

Another high-quality Canadian stock that's trading undervalued today is **High Liner Foods** ([TSX:HLF](#)). The company is a processor and marketer of frozen food products across North America. High Liner sells both to grocery stores across the continent as well as supplying many restaurants as well.

The company has a long track record of success, making it an excellent stock you can buy for the long run. And recently, it's been offering investors a significant opportunity.

Right now, High Liner Foods trades for just over 10 times its forward earnings. That's not quite as cheap as Corus, but it still offers excellent value.

So if you're looking for a safer Canadian stock to buy today that's trading undervalued High Liner is certainly one to consider.

A top Canadian real estate stock trading significantly undervalued

Finally, we have a cheap real estate stock offering immense upside. **Boardwalk REIT** ([TSX:BEI.UN](#)) has been one of the most undervalued Canadian real estate stocks you can buy for some time now.

One of the reasons that Boardwalk has been so impacted is due to the underperforming residential real estate market in Alberta in recent years, where more than half of Boardwalk's portfolio is located.

However, with the economy beginning to progress from the pandemic and many other provinces having already seen massive growth in the residential real estate market in the last few years, gaining more exposure to Alberta today is a prudent move.

This is why Boardwalk offers significant potential for investors today. Even though it's underperformed its peers, it's still a high-quality and highly safe stock that can consistently generate tonnes of cash flow.

And with the REIT trading at just 0.75 times its net asset value, it's one of the top undervalued Canadian real estate stocks you can buy today.

CATEGORY

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

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