Got $1,000? Buy These 4 Cheap Canadian Stocks Right Now

Description

Despite the massive rally in the global equity markets over the last 18 months, there are a few **TSX** stocks still trading at a cheaper valuation and offer excellent buying opportunities. With improved economic activities amid the easing of restrictions, the following four cheap Canadian stocks can deliver superior returns over the next three years.

Air Canada

Although **Air Canada** (TSX:AC) has improved significantly from the pandemic lows, it is still trading at over 50% discount from its pre-pandemic levels. The concerns over rising COVID-19 cases due to the Delta variant have restricted the company's upward momentum. Meanwhile, the company's long-term growth prospects look healthy amid widespread vaccination, removal of harsh travel restrictions, and pent-up demand.

With many countries beginning to open up their borders, Air Canada has resumed its service to various destinations worldwide. Besides, the company is also expanding its cargo service by adding more aircraft amid rising demand. Further, its cost-cutting initiatives and solid financial position bode well with its growth prospects. Air Canada is trading at an attractive valuation, with its forward price-to-sales multiple standing at 0.7. So, the company could be an excellent buy for investors with a three-year investment horizon.

Suncor Energy

Although **Suncor Energy** (TSX:SU)(NYSE:SU) has witnessed a strong buying this year, it still trades around 34% lower from its January 2020 levels. Meanwhile, I am bullish on the stocks amid rising crude oil prices, its investment in expanding its base businesses, and cost-cutting initiatives. Amid rising oil demand due to improved economic activities and supply concerns, as OPEC+ countries are struggling to meet their new output quota, oil prices have moved up. Meanwhile, analysts expect oil prices to remain at elevated levels in the near term.

Given its integrated business model, Suncor Energy is well-equipped to benefit from rising oil prices. Also, higher production and increased refinery utilization rate could boost its financials in the coming quarters. It also trades at an attractive forward price-to-sales and forward price-to-earnings multiple of 1 and 8.2, respectively. Notably, the company also pays quarterly dividends, with its forward yield standing at 3%.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB), which had reported a solid second-quarter performance last month, is my third pick. The uptrend in its financials could continue amid rising spending on cybersecurity due to digitization and rising remote working. Meanwhile, the company also has significant exposure to the automotive sector, with its QNX platform running in more than 195 million vehicles.

Additionally, BlackBerry has design wins with 24 of the 25 leading electric vehicle manufacturers. Further, its intelligent vehicle data platform, IVY, offers incredible growth prospects amid rising software components in vehicles. Despite its healthy growth prospects, the company is trading over 60% lower than its January highs. So, I believe investors should utilize this correction to accumulate the stock to earn superior returns.

Enbridge

Despite strong buying this year, **Enbridge** (TSX:ENB)(NYSE:ENB) is still trading lower than its pre-pandemic levels, and its forward price-to-earnings stands at an attractive 17.2. Meanwhile, the improvement in oil demand has increased the throughput of its liquids pipeline segment. Additionally, the company's planned investment of $17 billion through 2023 could increase its midstream and renewable assets. Along with these investments, its highly regulated underlying business could boost its financials in the coming quarters.

Notably, Enbridge has an excellent track record of rewarding its shareholders by raising its dividends consistently. Over the last 26 years, it has raised its dividends at a compound annual growth rate (CAGR) of over 10%. Meanwhile, its forward dividend yield currently stands at a juicy 6.54%. So, given its healthy growth prospects, favourable market conditions, and high dividend yield, Enbridge would be an excellent buy right now.

CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:AC (Air Canada)

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