
3 UNDERVALUED TSX Stocks to Buy Today

### Description

Although markets have been making fresh highs this year, a few Canadian stocks are still trading way below their fair values. These **TSX** stocks are trading at a discounted valuation and could see an extended rally compared to broader markets. Here are three of them.



## Bombardier

After decades of underperformance, shares of **Bombardier** (TSXBBD.B) saw one of the best years so far in 2021. They have surged more than 500% in the last 12 months and still look to be in great shape.

Bombardier turned to make business jets and shut shop where value was eroded all these years. Indeed, BBD is a stock that needs to be reconsidered today amid its turnaround efforts. It saw a healthy 25% surge year over year in revenues during Q2 2021, its first topline increase in the last 11 quarters.

More importantly, the stock is currently trading 0.6 times its revenues and looks highly discounted. It is prudent to use price-to-sales multiple given its unstable profitability and ongoing turnaround.

Note that it is still too early to tell whether Bombardier could continue to rally. How it plays out in the next few quarters will be crucial to watch.

## Tourmaline Oil

**Tourmaline Oil** (TSX:TOU) stock has gained more than 180% so far in 2021, another name that's notably outperformed the TSX Index this year.

Canada's largest natural gas producer, Tourmaline Oil, has had a very strong year so far. Rallying natural gas prices boosted its earnings. Apart from a couple of dividend increases, the company also paid a special dividend to shareholders. It has paid a $1.24 dividend so far this year.

Interestingly, Tourmaline could continue to see handsome growth for the next few quarters, driven by improving demand for gas and its expanding profit margins. Higher production in the second half of 2021 also could notably improve its earnings compared to 2020.

Additionally, TOU stock is currently trading 10 times its earnings, which looks notably discounted. Handsome growth potential along with a stable dividend profile, Tourmaline Oil presents an attractive investment proposition for long-term investors.

## Enbridge

Canadian energy midstream stock **Enbridge** (TSX:ENB)(NYSE:ENB) has returned almost 40% in the last 12 months. It is currently trading at its 52-week high, but 20% lower than its all-time high in 2015.

Enbridge looks attractive mainly because of its juicy dividends and earnings stability. Despite trading at annual highs, ENB stock is trading 17 times its earnings. While that's not significantly cheap, it's still discounted against its historical average and the industry trends.

Enbridge might see higher demand for energy transit as higher prices encourage producers to drill more oil. Interestingly, this energy infrastructure company generates a large portion of its earnings from long-term, fixed-fee contracts. So, long-term investors can expect reasonable stability for earnings and dividends.



ENB stock currently yields 6.5%, one of the highest among TSX stocks. Its unique network of pipelines, scale, and earnings stability make it an attractive name among long-term investors.

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2. Energy Stocks
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**TICKERS GLOBAL**

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2. TSX:BBD.B (Bombardier)
3. TSX:ENB (Enbridge Inc.)
4. TSX:TOU (Tourmaline Oil Corp.)

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