4 Cheap Canadian Stocks to Buy in October 2021

Description

The Canadian market has been slipping in recent weeks, down a couple of points since early September. The **S&P/TSX Composite Index** is still up more than 15% year to date, though, so it's been a strong year for Canadian investors.

The recent selloff has created many buying opportunities for long-term investors. I've got these four top Canadian stocks on my radar this month.

Royal Bank of Canada

Whether you're looking for growth, passive income, or dependability, a bank stock could be a fit for your portfolio.

At a market cap of $180 billion, **Royal Bank of Canada** (TSX:RY)(NYSE:RY) is Canada's largest bank. It's also the second-largest company in the country, behind **Shopify**.

RBC has been a consistent market beater for many years. The Canadian banking sector might not be the fastest growing in the market, but it's one that investors can count on over the long term.

At today's price, shares of RBC are trading at a bargain. It's forward price-to-earnings (P/E) ratio of barely over 10 is a steal considering what the Canadian stock can provide your portfolio.

Northland Power

Now's the time to be loading up on renewable energy stocks. Many of the leaders in the sector are trading at opportunistic discounts today. I don't think that will last for long, so you may want to act fast.

Northland Power (TSX:NPI) is one of the leaders in the country but also has an international presence. Its global customers have access to a range of different green energy solutions.

Even though the Canadian stock is down 15% year to date, shares are still up a market-beating 60% over the past five years. And that’s not even including its impressive 3% dividend yield.

Air Canada

I was bearish on this Canadian stock earlier on in this pandemic, but I’ve come around.

Air Canada (TSX:AC) stock has rallied well since its March 2020 lows, but shares are still half the price that they were prior to COVID-19.

As a long-term investor, I’m now much more willing to give Air Canada a chance. Now that we’ve experienced living with a pandemic for more than a year and a half, we have a much better understanding of what the future of air travel could look like.

Early in the pandemic, the uncertainty surrounding the entire travel industry kept Air Canada, and many others, off my radar. But now that we’re gradually moving past this pandemic, this discounted Canadian stock is near the top of my watch list.

Enghouse System

To balance out this diversified basket of cheap stocks, I’ve included a very reasonably priced tech company.

Enghouse Systems (TSX:ENGH) has had whirlwind past two years with its stock price visiting all kinds of highs and lows. After losing 30% in one month in early 2020 the stock doubled in the following three months. Unfortunately, the Canadian stock hasn’t been able to return to the highs that it set in July 2020.

The tech stock is still up more than 100% over the past five years, though. It’s also priced at a modest forward P/E ratio of 33.

If you’re looking for a growing tech stock that won’t cost you a fortune, Enghouse Systems should be on your radar.

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1. NYSE:RY (Royal Bank of Canada)

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3. TSX:ENGH (Enghouse Systems Ltd.)
4. TSX:NPI (Northland Power Inc.)
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