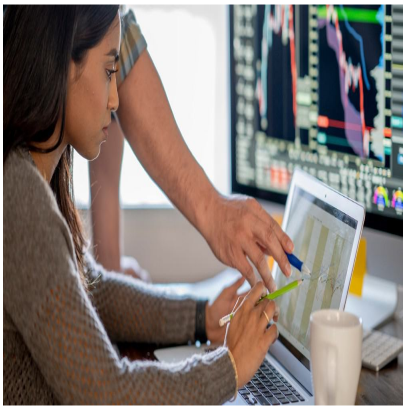

2 of the Best Canadian Stocks to Buy Now

Description

As we move further into a volatile fall and winter season, investors would be best advised to stay the course with their top Canadian stocks. Indeed, an uptick in volatility is perceived as a huge negative, especially to beginner investors who got started this year. But for stock pickers, volatility can bring forth a greater chance of market mispricings. And for an investor, it's all about getting just a bit more for every dollar you'll put down on a secure holding. Indeed, value investing is based on this premise.

And although people are more likely to speculate on Bitcoin, value investing is likely to come out on top, just as it has so many times in the past, through speculative manias and rough patches where the public interest in stocks was at a low.

In this piece, we'll have a look at two Canadian stocks that may very well be mispriced to the downside, making them superb buys now for those looking to close off a choppy year.

Consider shares of **Telus International** (TSX:TIXT)(NYSE:TIXT) and **Enbridge** (TSX:ENB)(NYSE:ENB), two attractive plays that may not have appreciated as much as they could have, given the good long-term fundamentals and potential catalysts heading into the new year.

Telus International

Telus is better known for its telecom business. But fewer Canadians are aware of the IT spin-off that is Telus International. The firm provides (CX) customer experience and digital IT solutions to a wide range of clientele. Telus, the telecom we all know and love, has a reputation for above-average customer service. And Telus International is a likely reason why. The firm caters to numerous clients spanning industries from healthcare to communications, both industries that the Telus of old has been involved in.

Undoubtedly, we're undergoing a major digital transformation. With that, the growing importance of CX and other digital solutions, making Telus International a compelling growth option for investors who want to strike a good balance between secular growth and value.

The stock trades at just 4.9 times sales and 5.8 times book value. Although hot of late, analysts seem mixed between buying and holding. I think the name is a great mid-cap for those familiar with higher levels of volatility.

Enbridge

Enbridge is back. It's been a long time coming, but the stock is finally delivering on both fronts again, with solid appreciation (up nearly 30% year to date!) and a huge dividend (6.4%) that's slated to grow. Undoubtedly, the energy industry has been in full-on rally mode of late. And pipeline kingpin has benefited dramatically. As oil looks to surpass US$100 again for the first time since the energy meltdown back in 2014, I think ENB stock could prove to be severely undervalued at these levels.

The stock trades at 17.5 times trailing earnings, which is way too cheap given the momentum faced by an industry that's pretty much taken a 180-degree turn in a hurry. Up around 50% from its 2020 lows, Enbridge is a momentum play. But it's also one that seems to be full of value. Whether Enbridge can make new highs amid this energy rally is anyone's guess. At these valuations, though, I like the risk/reward.

ENB stock is at the intersection between momentum and value. If you seek passive income, appreciation and aren't afraid to bet on the energy patch, shares of the midstream giant look appear ready to pick up where they left off many years ago.

CATEGORY

1. Investing

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2. NYSE:TIXT (Telus International)
3. TSX:ENB (Enbridge Inc.)
4. TSX:TIXT (Telus International)

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