



FIRE SALE: The 4 Best Canadian Stocks to Buy Today

Description

The **S&P/TSX Composite Index** rose 24 points on October 21. Industrials and information technology were the top two performing sectors on the day. Meanwhile, base metals and energy suffered a sharp retreat. Today, I want to look at some of the best Canadian stocks that looks [undervalued](#) right now. Let's dive in.

This top Canadian stock has bet big on electric vehicles

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is an Aurora-based company that designs, engineers, and manufactures components, assemblies, systems, subsystems, and modules for original equipment manufacturers of vehicles and light trucks. In the beginning of 2021, I'd [discussed](#) why Magna's play in the electric vehicle (EV) space was worth getting excited about. Shares of this Canadian stock have climbed 15% in 2021 as of close on October 21. However, the stock is down 13% over the past six months.

The company will release its third-quarter 2021 results in the first week of November. In Q2 2021, Magna saw sales more than doubled to \$9.0 billion. This was powered by an increase in light vehicle production of 58%. Beyond EVs, light vehicles also boast lower emissions than their heavier counterpart. In the first six months of 2021, diluted earnings per share rose to \$3.42 — up from a loss per share of \$1.29 in the second quarter of 2020.

This Canadian stock possesses a favourable price-to-earnings (P/E) ratio of 11. It last paid out a quarterly dividend of \$0.43 per share, which represents a 2.1% yield.

Why it's not too late to buy the dip in this stock

Stella-Jones ([TSX:SJ](#)) is engaged in the production and marketing of pressure-treated wood products in Canada and the United States. This Canadian stock has dropped 2.8% in 2021. However, the stock has increased 8.1% week over week as it bounces back from its sharp dip.

In Q2 2021, the company delivered sales growth of 18% to \$903 million. Meanwhile, EBITDA increased 50% to a record \$180 million. Shares of this Canadian stock last had a solid P/E ratio of 10. It offers a quarterly dividend of \$0.15 per share, representing a modest 1.6% yield.

Here's a top insurer you can trust for the long term

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is a Toronto-based insurance and financial services company. Shares of this Canadian stock have increased 11% so far this year. The stock is up 32% from the same time in 2020.

Investors can expect to see the company's next batch of results on November 3. It delivered core earnings growth of 18% to \$1.7 billion in the second quarter of 2021. Meanwhile, resurgent markets drove Global Wealth and Asset Management net inflows of \$8.6 billion — up from \$5.1 billion in the second quarter of 2020.

This Canadian stock possesses a very attractive P/E ratio of 6.8. Better yet, it last paid out a quarterly dividend of \$0.28 per share. That represents a solid 4.4% yield.

A top Canadian stock to snatch up, as green energy is on the rise

Capital Power ([TSX:CPX](#)) is the fourth Canadian stock I'd suggest investors scoop up in late October. Its shares have climbed 27% in the year-to-date period. Capital Power is up 45% year over year. Back in March, I'd discussed why investors should seek exposure to the [green energy space](#) for the long haul.

The company is set to release its third-quarter 2021 results early next week. In Q2 2021, Capital Power posted adjusted EBITDA of \$544 million for the first six months of the fiscal year. This was up from \$451 million in the first half of 2020. Shares of this Canadian stock last had a favourable P/E ratio of 26. It offers a quarterly dividend of \$0.547 per share. That represents a 4.9% yield.

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2. NYSE:MGA (Magna International Inc.)
3. TSX:CPX (Capital Power Corporation)
4. TSX:MFC (Manulife Financial Corporation)
5. TSX:MG (Magna International Inc.)

6. TSX:SJ (Stella-Jones Inc.)

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Date

2025/06/30

Date Created

2021/10/22

Author

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