



2 of the Best Canadian Stocks You Can Buy at a Huge Discount Right Now

Description

Although markets have had an incredible rally this year after a solid second half to 2020, there are still several high-quality Canadian stocks you can buy at a discount.

While the opportunities won't be as massive as they were last year, there are still plenty of chances to find high-quality stocks that you can hold long-term but also offer short-term potential.

So if you're looking to add some high-quality investments to your portfolio today, here are two of the best Canadian stocks to buy offering some of the most attractive deals right now.

A top Canadian energy stock to buy while it's still cheap

One of the best Canadian stocks to buy now while it's still cheap is **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Suncor is a massive energy company with integrated operations. It not only produces energy but also refines energy and sells it through its hundreds of retail gas stations.

And while the energy industry has been one of the strongest equity sectors in 2021, Suncor has lagged behind the rest of the industry, leaving its stock considerably cheap. After reporting earnings for the third quarter earlier this week, though, the Canadian stock showed it's been taking advantage of the recent economic environment and is worth a buy at this undervalued price.

The company reported [earnings per share](#) of \$0.59 for the quarter compared to a loss of a penny per share a year ago. Furthermore, the company produced an average of 699,000 barrels of oil equivalent per day (boepd) in the quarter vs. 616,000 boepd in the same quarter last year. Even its refinery throughput was 460,000 barrels per day, a 99% utilization rate vs. just 87% the same quarter last year.

With the rebound in the energy industry and commodities prices over the last year, Suncor has seen its operations recover significantly, and even just doubled its dividend. Going forward, it will also continue to engage in share buybacks as well as continue to pay down its debt. So far this year, it's already bought back over 4% of the shares outstanding.

And while the stock has already started to rally due to these impressive earnings, it still offers significant potential, with roughly 25% upside to its pre-pandemic price of \$40. So if you're looking for a top Canadian stock to buy [undervalued](#) in this expensive market environment, Suncor is one of the best stocks to consider today.

A top agriculture stock to own for years

Another high-quality Canadian stock you can still buy at an attractive value today is **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)), the largest supplier of crop inputs, services, and solutions in the world.

Nutrien is well known as a massive fertilizer producer. The company is the largest producer of potash in the world and the third-largest producer of nitrogen, two key chemicals in making fertilizer. However, it also has a massive retail business.

Nutrien's retail business is attractive for several reasons. First, it helps to vertically integrate the company but also aids in diversifying Nutrien's operations. Furthermore, it accounts for roughly 25% of Nutrien's earnings before interest, taxes, depreciation, and amortization (EBITDA). And because the company is so large and dominant in an industry that's essential and highly defensive, Nutrien is one of the best Canadian stocks to buy and hold for years.

In recent months, with prices of almost everything soaring, including essential agriculture commodities as well as potash and nitrogen, Nutrien has likely seen a massive increase in profitability. This has led to numerous analysts increasing their price targets for Nutrien.

So although the stock is up by over 65% this year, it still trades undervalued with a forward enterprise value/EBITDA ratio of 6.3 times. Therefore, if you're looking for one of the best Canadian stocks to buy right now, Nutrien offers a compelling valuation at this price.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:NTR (Nutrien)
4. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Smart News

PP NOTIFY USER

1. arosenberg
2. danieldacosta

Category

1. Investing
2. Stocks for Beginners

Date

2025/08/04

Date Created

2021/10/29

Author

danieldacosta

default watermark

default watermark