



2 Dirt-Cheap Canadian Stocks to Buy Now While You Can

Description

The **S&P/TSX Composite Index** continues to trade at all-time highs. This comes from stellar earnings reports driving prices even higher. However, this can mean that share prices continue to climb for some strong companies. But don't worry! There are cheap Canadian stocks to buy right now for long-term stability. But they likely won't remain cheap long.

As the Canadian market continues to climb, now up 18% year to date, there are fewer opportunities. While Motley Fool investors got used to the growth stocks of 2020, there are fewer Canadian stocks to buy these days at valuable prices.

But if you're a Motley Fool investor looking for cheap stocks on the TSX today to hold forever, don't worry about today's prices. The best investing strategy you can make is to buy and hold for decades. If it's a solid company, you can be sure your Canadian stocks will still be great 20 years from now. So, let's look at two strong options I'd consider.

Canadian stock #1: Bombardier

The airline industry went through hell during the last few years. But if you're looking for long-term exposure, now is a great time to consider this industry. The pandemic will eventually end, and that means there is a significant opportunity for growth among these companies.

One of the Canadian stocks to buy isn't the major [airlines](#) but instead **Bombardier** ([TSX:BBD.B](#)). Bombardier stock remains low due to pandemic decreasing production. However, it has a leg up on other airlines, as it received its government bailout before the pandemic even began.

Since then, it's been restructuring to become a solid company to hold for future growth. Bombardier stock sold off its assets in practically everything but its jet airlines. Here, it doubled down, updating its Challenger 350 to the Challenger 3500. It then almost immediately sold 20 aircrafts for US\$534 million.

Compared to peers, Bombardier stock is doing very well. As pandemic restrictions ease, it's able to convince business owners to board their places once more. In fact, that it's safer to do so on a private

plane than in a crowded airport.

Furthermore, shares of Bombardier stock have been climbing due to announcements. This includes the recent facility under construction at Toronto Pearson Airport, where it will continue producing its jet airplanes. So, that makes it one of the Canadian stocks to buy with serious future growth ahead.

Shares of Bombardier stock are up 300% in the last year after coming off the TSX today falling under \$1 per share. But after its restructuring, this looks like a solid long-term hold at a very cheap \$2 per share. It now expects full-year guidance for EBITDA to be greater than \$575 million.

Canadian stock #2: Royal Bank of Canada

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is a solid bank stock, as Canada's largest bank by market capitalization. It remains a stable, profitable company that continues to defy expectations and expand into emerging markets. And after the pandemic selloff, the company managed to come back to pre-pandemic [levels](#).

Shares sank to \$67.25 in [March 2020](#) and are now up 96% since that point. While that's great, it remains one of the top Canadian stocks to buy because of its future outlook as well.

Planning for downturns is definitely a great reason to buy Royal Bank stock. But the future looks bright. Royal Bank is likely on the verge of hiking its dividend once more, continuing its consistent payouts over its 151-year history. Given that it was on pause for so long, this hike could be significant.

However, there are also opportunities in the future once Royal Bank moves away from oil and gas and puts its investment in clean energy. As infrastructure grows, Royal Bank is one of the best Canadian stocks to buy to take advantage of that growth.

Shares are up 22% year to date, and you can currently pick up this stock with a dividend yield of 3.34%. It also boasts a valuable 12.38 P/E ratio. That alone makes it a solid stock on the TSX today to buy and hold forever.

CATEGORY

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