2 Dirt-Cheap Stocks to Buy That Could Triple in 2022

Description

The Canadian stock market has performed well throughout most of 2021. At writing, the **S&P/TSX Composite Index** is just a few basis points below its latest all-time highs. Despite the broader market arguably being in an expensive territory, the TSX boasts a few undervalued stocks that could provide you with stellar shareholder returns.

As 2021 inches closer to making way for another year, it might be the right time to re-evaluate and re-balance your self-directed investment portfolio to seek out bargains that could provide you with better returns in the coming 12 months.

Today, I will discuss two dirt-cheap TSX stocks that boast immense growth potential and provide you with phenomenal investment returns in an otherwise overvalued market.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is a $12.07 billion market capitalization utility business that recently announced its US$2.85 billion acquisition of Kentucky Power that could massively improve the company's rate-regulated assets. The move could see over 80% of its revenues coming from regulated businesses, allowing Algonquin Power to generate more predictable cash flows.

The company already boasts a strong portfolio of electric, natural gas, and water utilities. Algonquin Power is also well positioned to capitalize on the green energy boom with its renewable power-generation assets. The stock is trading for $17.96 per share at writing, down by over 20% from its February 2021 highs. Part of the reason for its decline is the bought deal share to raise $800 million to fund its acquisition.

The stock boasts a juicy 4.78% dividend yield at its current levels, and it could be an excellent addition to your portfolio, as its performance improves in the coming months.

Rogers Communications

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is a $30.12 billion market capitalization telecommunications giant that has been trading for a considerable discount compared to its peers for a long time now, but that could soon change. The stock's weakness on the TSX is attributed largely to boardroom issues among quarreling members of the Rogers family. However, the situation will likely be resolved in the coming months.

Additionally, Rogers Communication is currently underway to close a deal to acquire **Shaw Communications**, another telecom giant in Canada. Merging these two companies under the same banner could place the combined company in the leadership position in Canada's telecom space.

At writing, the stock is trading for $58.83 per share, and it boasts a juicy 3.40% dividend yield. Investing in its shares at the current levels could set you up for significant capital gains in the coming months.

Foolish takeaway

Algonquin Power stock and Rogers Communication stock are equity securities trading for considerable discounts from their all-time highs. Both companies possess the potential to recover to their all-time highs and possibly surpass them in the coming years. It could be the right time to invest in these two companies at the current levels.

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1. Dividend Stocks
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3. TSX:AQN (Algonquin Power & Utilities Corp.)
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