FIRE SALE: 3 Dirt-Cheap Canadian Stocks to Buy Now

Description

The **S&P/TSX Composite Index** rose 23 points on November 29. That was a paltry rebound after a 487-point plunge to close out the previous week. European and Asian markets were reeling in after-hours trading at the time of this writing, which bodes ill for North American markets on November 30. Despite this volatility, I'm looking to snatch up cheap Canadian stocks in this climate. Let's dive in.

Why this defence stock looks cheap today

CAE (TSX:CAE)(NYSE:CAE) is a Montreal-based company that designs, manufactures, and supplies simulation equipment and training solutions to defence and aerospace markets. Shares of this Canadian stock have plunged 17% month over month as of close on November 29. This pushed the stock into negative territory in the year-to-date period.

The company unveiled its second-quarter fiscal 2022 earnings on November 11. Revenue rose 16% year over year to $814 million. Meanwhile, adjusted earnings per share were reported at $0.17 — up from $0.13 in the previous year. CAE's Defence and Security segment posted revenue growth of 38% to $417 million. Order intake jumped 54% year over year to $427 million.

Shares of CAE currently have an RSI of 23. That puts the Canadian stock in technically oversold territory.

Here's a top Canadian stock to snag after the market pullback

Last week, I'd discussed why Canadians should look to snatch up Quebec-based bank stocks, as Quebec's economy erupted in 2021. **Laurentian Bank** (TSX:LB) is a Montreal-based regional bank. Its shares have climbed 20% in 2021. However, this Canadian stock has plunged 11% month over month.

Laurentian is expected to unveil its final batch of 2021 earnings on December 10. In the third quarter of 2021, this regional bank posted adjusted net income of $59.0 million, or $1.25 per share, compared to $47.1 million, or $1.02 per share, in Q3 2020. Like the Big Six Canadian bank giants, Laurentian benefited from a significant dip in provisions set aside for credit losses. Moreover, the bank has been powered by improved Real Estate Financing and a strong quarter from Capital Markets.

This Canadian stock possesses a very attractive price-to-earnings ratio of 8.9. Laurentian last had an RSI of 22, putting it well into oversold territory. Investors can also count on its quarterly distribution of $0.40 per share, which represents a solid 4.2% yield.

One more cheap Canadian stock to buy now

Air Canada (TSX:AC) stock had a rough start in the 2010s but finished the decade as one of the top-performing stocks on the TSX. Last week, I'd discussed why investors should buy the dip in Canada's top airliner. Shares of this Canadian stock have plunged 8.7% week over week as of close on November 29. That pushed Air Canada into the red for the year-to-date period.

In Q3 2021, the company reported operating revenues of $2.10 billion — up from $757 million in the previous year. Meanwhile, net cash flow jumped $520 million year over year to $153 million. It is trading in favourable value territory compared to its industry peers. Air Canada stock last had an RSI of 29, which also puts this Canadian stock in oversold levels.

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3. TSX:CAE (CAE Inc.)
4. TSX:LB (Laurentian Bank of Canada)

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