4 Cheap Stocks to Snag During This Market Correction

Description

The **S&P/TSX Composite Index** rose 227 points on December 6. Canadian and global stocks were reeling after a brutal stretch in the previous week. Fortunately, there are still great discounts on the TSX due to the market correction. Today, I want to look at four cheap stocks that investors may want to snatch up in early December.

Here’s a green energy stock to snatch up in late 2021

Northland Power (TSX:NPI) is a Toronto-based company that develops, builds, and operates clean and green power projects in North America and around the world. Shares of this cheap stock have plunged 16% in 2021 as of close on December 6. The stock has dipped another 2.7% over the past month.

The company unveiled its third-quarter 2021 results on November 10. Sales fell 8% from the prior year to $432 million. Meanwhile, adjusted EBITDA dropped 17% to $211 million. Northland took a hit due to poor wind conditions in the North Sea. It is still on track to meet its full-year financial guidance.

This stock is trading in favourable value territory compared to its industry peers. It is not too late to snatch up Northland on the dip. Better yet, it offers a monthly dividend of $0.10 per share. That represents a 3.1% yield.

One cheap stock to buy in the cannabis space

Tilray (TSX:TLRY)(NASDAQ:TLRY) has grown into the most prominent cannabis stock in Canada on the back of its acquisition of Aphria. However, it has suffered along with the broader cannabis industry in 2021. Shares of this cheap stock have dropped 39% in the year-to-date period.

Earlier this month, I’d discussed why cannabis stocks had gained momentum. In Q1 FY2022, Tilray delivered its 10th consecutive quarter of positive EBITDA. Moreover, it delivered revenue and gross profit growth of 43% and 46%, respectively. Tilray last had an RSI of 35, putting it just outside technically oversold territory.

The market correction has pushed this stock to a 52-week low

Winpak (TSX:WPK) is a Winnipeg-based company that manufactures and distributes packaging materials and related packaging machines in North America and globally. Shares of Winpak have dropped 17% in the year-to-date period. The stock has plunged 8.7% month over month.

In Q3 2021, Winpak delivered revenue of $254 million — up from $210 million in the third quarter of 2020. However, its earnings were hurt by a contraction in gross profit margins and the negative impact of foreign exchange and higher operating expenses. Still, Winpak anticipates that the upward trend in selling price/mix amounts will have a positive impact on earnings in the quarters ahead.

This cheap stock possesses a favourable price-to-earnings (P/E) ratio of 17. It fell into oversold territory in late November and early December.

Why I'm looking to snag this cheap stock today

CCL Industries (TSX:CCL.B) is another manufacturer that sells labels, consumer printable media products, technology-driven label solutions, polymer bank note substrates, and specialty films. This cheap stock is up 12% in 2021 as of close on December 6. Its shares have dropped 7.6% over the past month.

The company delivered sales growth of 8.4% to $1.48 billion in the third quarter of 2021. Its shares last had an attractive P/E ratio of 19. CCL Industries offers a quarterly dividend of $0.21 per share. That represents a modest 1.2% yield.

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5. TSX:WPK (Winpak Ltd.)

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