3 Cheap Canadian Stocks to Buy as the Market Looks to Rebound

Description

Amid the easing concerns over the highly infectious Omicron coronavirus variant, the Canadian equity markets bounced back strongly over the last two days, with the S&P/TSX Composite Index rising 2.6%. Despite the strong bounce back, the following three Canadian stocks are available at attractive valuations. So, investors can accumulate these stocks to earn superior returns over the next three years.

Suncor Energy

Amid improvement in investors' sentiments, oil prices have appreciated over 15% from last week's lows. Higher oil prices could benefit oil-producing companies, such as **Suncor Energy** (TSX:SU)(NYSE:SU). Given its long-life, low-decline assets, it is well positioned to benefit from higher prices. Higher productions, a rise in refinery utilization rate, cost-cutting measures, and reduction in debt levels could boost the company's financials in the coming years.

Meanwhile, Suncor Energy has also raised its share-repurchase guidance, benefiting its shareholders. Despite its healthy growth prospects, the company currently trades over 19% lower than its January 2020 levels, while its forward price-to-earnings multiple stands at an attractive 7.1. Also, it pays a quarterly dividend of $0.42 per share, with its forward yield standing at 5.30%. So, given its healthy growth prospects, high dividend yield, and attractive valuation, Suncor Energy could be an excellent addition to your portfolio.

Air Canada

With the travel and hospitality industry continuing to feel the heat of COVID-19, **Air Canada** (TSX:AC) is trading over 50% lower than its pre-pandemic levels. Its forward price-to-sales multiple stands at a juicy 0.5. With the initial data suggesting Omicron could be less severe, Air Canada is an excellent buy at these levels.

It had $14.4 billion of liquidity by the end of the third quarter. So, it is well funded to ride out this challenging period. The reopening of the economy, pent-up demand, and increased vaccination could drive passenger demand in the coming quarters. Also, the company is expanding its cargo segment with the addition of new aircraft and routes amid rising demand. Along with these growth factors, its cost-cutting initiatives could boost Air Canada's financials in the coming years. So, I expect Air Canada to outperform over the next three years.

Lightspeed Commerce

Third on my list is **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD), which offers commerce solutions for retail, hospitality, and golf merchants worldwide. In September, Spruce Point Capital Management had published a report accusing Lightspeed Commerce of fudging its numbers before going public. The concerns over the bearish report and weak guidance provided by the company's management amid supply chain issues have led to a selloff. Currently, the company trades over 60% lower from its September highs.

Despite the near-term weakness, Lightspeed Commerce's long-term growth potential looks healthy amid the rising adoption of the omnichannel selling model. The company also focuses on launching new modules, venturing into new markets, and making strategic acquisitions to drive growth. It recently launched Lightspeed Restaurant, a unified hospitality commerce platform, in North America. It also expanded its Lightspeed Payments in Australia and the United States.

These new solutions and geographical expansions could increase Lightspeed Commerce's customer base and average revenue per customer, thus driving its financials in the coming quarters.

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