These 2 Cheap Stocks Are Must-Buys in December

Description

The Canadian stock market has had no shortage of volatility in recent weeks. A steep selloff in the market began in late November, which was largely driven by the new COVID variant. Still, the **S&P/TSX Composite Index** is up more than 15% year to date. Patient investors that have held through the volatility in 2021 have certainly been well rewarded.

But even with the market up big this year, there are many TSX stocks still trading far below all-time highs. So, if you're a long-term investor, now is definitely an opportunistic time to be putting your cash to work.

If you're looking to capitalize on the recent volatility, these two cheap stocks should be on your radar. In the short term, it's anybody's guess as to how these Canadian stocks will perform. But over the long term, both companies have the potential to continue delivering market-beating gains for many more years.

Lightspeed Commerce

It's been a rough ride as of late for **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD) shareholders. The tech stock is down more than 50% from all-time highs set just three months ago. A short report with serious allegations followed by underwhelming quarterly results sent the stock spiraling.

From a valuation perspective, even with the selloff, Lightspeed is certainly not a cheap stock. But that shouldn't come as a total surprise, considering shares are up over 200% since it went public in 2019.

There's no denying the growth opportunity in the commerce market, both online and brick-and-mortar. Lightspeed operates in both spaces and has done an excellent job expanding in recent years. Through both organic growth and acquisitions, Lightspeed continues to drive quarterly revenue growth upwards of 50%.

Investors that have been comfortable with the market's recent volatility should seriously consider investing in Lightspeed. I don't think it will be long before the Canadian stock is back to all-time highs.

These discounted prices won't last for long.

Air Canada

A new COVID variant is not good news for the airlines. Canada's largest airline, **Air Canada** (TSX:AC), is understandably still trading well below all-time highs. And with the end of the pandemic nowhere near in sight, many investors are questioning when the growth will return.

I completely understand why short-term investors may be hesitant to invest in Air Canada. The pandemic has created far too much uncertainty in the short term for a stock like Air Canada. Long-term investors, though, have the opportunity to start a position in one of North America's top airline stocks at a massive discount.

Shares are down close to 60% from all-time highs that were set right before the pandemic began. The Canadian stock is still up a market-beating 60% over the past five years. Going back a decade, shareholders are sitting on a 20-bagger.

That type of growth is not exactly common for an airline stock. Air Canada has delivered exceptionally strong growth for a company in a capital-intensive industry.

Air Canada wasn't on my watch list early on in the pandemic. In the early months of COVID, it was very difficult to predict how much of a long-term impact the pandemic would have on air travel. But now that we're nearing the two-year mark of dealing with this pandemic in North America, air travel doesn't look all that different from what it did prior to COVID.

Investors looking to capture gains from the economy's reopening would be wise to start a position in Air Canada while it's still trading at these levels.

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