3 Cheap TSX Stocks to Buy Before a Santa Claus Rally

Description

With the market up close to 20% in 2021, it's definitely been a good year to be invested in **TSX** stocks. Even amid a global pandemic that continues to wreak havoc, many Canadian companies have soared to all-time highs.

The new COVID variant has put a minor dent in the memorable year for Canadian investors. Since early November, the market has now dropped more than 5%.

The market's selloff has been well timed for anyone planning on doing some last-minute holiday shopping. Canadian investors have not had many buying opportunities this year, but right now is certainly one of them.

If you're still missing a few gifts, do your portfolio a favour and pick up some shares of at least one of these three discounted TSX stocks.

Nuvei

Nuvei (TSX:NVEI)(NASDAQ:NVEI) had an incredibly impressive first year as a public company. After joining the TSX in September 2020, the tech stock was up more than 250% just 12 months later. Fast forward three months, and shares are now down 60% from all-time highs.

The payments company had a whirlwind first year trading on the public market. But considering the TSX stock's valuation, the volatility that investors have witnessed over the past three months should not be all that surprising.

A short report was the main culprit for the tech stock's recent selloff. The report contained serious allegations questioning management's integrity and the company's long-term growth potential. Both of which I'd largely disagree with.

If you were bullish on Nuvei before this report was released, I'd highly suggest taking advantage of this discounted price. As a massive bull on the payments space, Nuvei is definitely on my radar now that it's trading at a much more reasonable valuation.

WELL Health Technologies

Another industry I'm bullish on is telemedicine. Unsurprisingly, telemedicine stocks surged at the beginning of the pandemic, as demand for virtual health appointments skyrocketed.

But now that we're also two years into dealing with this pandemic, demand for telemedicine services has largely declined. As a result, many leaders in the sector are trading well below all-time highs.

Shares of **WELL Health Technologies** (TSX:WELL) were up a market-crushing 400% in 2020. In 2021, though, the TSX stock is down close to 40%.

A loss of that magnitude is not all that surprising after putting up a four-bagger in the year prior. The stock is likely correcting itself after a year of very abnormal growth.

Investing in a stock down 40% on the year is not something I'd suggest to short-term investors. But if you're got a time horizon of five years or longer, WELL Health is hard to ignore at these prices. In five years' time, I'd be confident betting that the TSX stock will have returned to delivering market-crushing gains.

Northland Power

Last on my list is another market-leading stock in a sector that has had a rough year. Many renewable energy stocks have not only trailed the market's returns this year but are also trading at losses.

Shares of **Northland Power** (TSX:NPI) are down almost 20% year to date. Still, the TSX stock is up a market-beating 60% over the past five years. And that's not even factoring in the company's impressive 3% dividend yield.

Renewable energy is another area of the market I'd urge any long-term investor to have exposure to. And now's an opportunistic time to go shopping with many high-quality companies trading at significant discounts.

CATEGORY

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1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:NPI (Northland Power Inc.)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:WELL (WELL Health Technologies Corp.)

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