



3 Undervalued TSX Stocks That Should Be on Your Radar

Description

The Canadian market's strong performance in 2021 is no reason to be hesitant to invest today. Instead of taking profits while the **S&P/TSX Composite Index** is near all-time highs, I'd urge long-term investors to go bargain hunting. There's no shortage of high-quality TSX stocks trading at a [discount](#) right now.

I've put together a list of three top market-beating [TSX stocks](#) that are trading at a significant discount today. If you're interested in owning any of these three companies, I'd act fast. I don't think it will be long before all three of these companies are back to all-time highs.

Nuvei

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) fell victim to a short report late last year, which sent shares plummeting 40% in a single day.

The short report from Spruce Point Capital contained a slew of bearish arguments. The report questioned Nuvei's acquisition strategy, along with the company's long-term [growth](#) potential. While the short report may have had some validity to it, It's hard to argue against the massive market opportunity for Nuvei.

Shares are undeniably expensive, but it's not unlike many other top growth stocks on the TSX. The reason it's priced at a premium is because investors are banking on many more years of market-beating gains.

Nuvei has already established an international presence in the growing digital payments space. And with management continuing to focus on expanding the company's product offering, I have a hard time believing the bear case for the company's growth outlook.

With shares down more than 50% from all-time highs, Nuvei is at the top of my watch list.

Northland Power

If you're bullish on renewable energy, now's the time to be investing. Many energy stocks soared last year, but for the most part, that didn't include renewable energy. A lot of the leaders in the sector largely trailed the market's returns in 2021.

At the top of my watch list right now is **Northland Power** ([TSX:NPI](#)). The \$8 billion company is perfect for anyone looking for broad exposure to the growing renewable energy market. Northland Power has operations spread across the globe, offering its customers a range of different renewable energy solutions.

Shares are up a market-beating 50% over the past five years. And that's not even including the company's impressive 3% dividend yield.

Now down close to 30% from all-time highs, investors may not get another buying opportunity like this for a while.

Air Canada

Last on my list is Canada's largest airline, **Air Canada** ([TSX:AC](#)). The \$8 billion airline was a market-crushing stock prior to COVID, and I don't think it will be long before the market-beating gains return.

Even with shares down more than 50% from all-time highs, the airline stock has still nearly doubled the returns of the Canadian market over the past five years.

International travel has unsurprisingly taken a hit over the past two years. But there's little doubt in my mind that the demand for air travel will eventually return to pre-COVID levels.

Investors may need to be patient with this stock. If you're holding for the long term, though, there's a lot of upside potential to be bullish about.

CATEGORY

1. Investing

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2. TSX:AC (Air Canada)
3. TSX:NPI (Northland Power Inc.)
4. TSX:NVEI (Nuvei Corporation)

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Date

2025/07/04

Date Created

2022/01/11

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