3 Dirt-Cheap Stocks to Buy Now and Hold in Canada

Description

The main Canadian market index rallied by nearly 22% last year, helping investors get solid returns on their investments. While many stocks with high valuation multiples could see a big correction in the near term, it's still a great idea to keep adding some cheap stocks to your portfolio. In this article, I'll highlight three such dirt-cheap stocks that I find worth buying. All these **TSX** stocks are currently trading below $50 per share.

Kinross Gold stock

Kinross Gold (TSX:K)(NYSE:KGC) is the first cheap stock to buy on my list right now. It's a Toronto-based gold mining firm with its highest revenue-generating mines located in the United States, Brazil, and Russia. The company currently has a market cap of nearly $9 billion after its stock dived by 21.4% last year.

In mid-2021, Kinross had to revise its full-year production guidance downward after the temporary suspension of mining operations at its Mauritania-based Tasiast mine due to a fire incident. The incident affected the company's financial growth last year, leading to a pullback in its stock.

Nonetheless, Kinross continues to maintain its strong production guidance for the next couple of years, with mining activities ramping back up at its Tasiast mill. Its improving production along with a gradual recovery in gold prices could help Kinross Gold stock recover fast this year, making it one of the best cheap stocks to buy, as it currently trades at $7.13 per share.

Pembina Pipeline stock

Pembina Pipeline (TSX:PPL)(NYSE:PBA) could be another great cheap stock to buy in Canada now. It's a Calgary-based energy infrastructure and transportation company with a market cap of about $22 billion. Its stock currently trades at $39.76 per share after rising by nearly 18% in the last year.

The COVID-19-driven demand concerns led to a big crash in the prices of energy products in 2020, driving a 14% YoY (year-over-year) drop in Pembina Pipeline's total revenue. As a result of this lower revenue along with higher costs, the company burnt $476 million cash in 2020.

On the positive side, the demand for energy products sharply recovered in 2021 and helped Pembina post a strong financial recovery. That's why analysts expect its full-year 2021 revenue to be around $8.1 billion — up 31% YoY and also higher than its pre-pandemic revenue levels. I expect its strong financial recovery to continue in the coming quarters as well, helping its stock inch up. Moreover, Pembina Pipeline's outstanding dividend yield of 6.3% makes its cheap stock even more attractive for long-term investors.

Crescent Point Energy stock

Just like Pembina Pipeline, **Crescent Point Energy** (TSX:CPG)(NYSE:CPG) could be another cheap stock to benefit from the ongoing recovery in the energy demand. This oil and gas exploration and production company has a market cap of about $4.7 billion, as its stock has already more than doubled in the last year.

In Q3 2021, Crescent Point's total revenue rose by 67% YoY to $636.4 million. The ongoing solid growth trend in its financials is likely to remain intact in the near term, with consistently strengthening energy demand across North America. These factors could help this cheap stock keep soaring. It currently trades at $8.06 per share.

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Date
2025/06/30
Date Created
2022/01/12
Author
jparashar