Planning to Invest in 2022? 3 Cheap Stocks to Buy Right Now

Description

The Canadian stock market is coming off an incredible year of growth. Despite the global pandemic not showing many signs of slowing down, the **S&P/TSX Composite Index** gained over 20% in 2021.

Even with the broader market's strong performance last year, not all Canadian stocks are trading near all-time highs today. The TSX is full of top companies trading at significant discounts.

It's anybody's guess as to how the stock market will perform in 2022. But if you're investing for the long term, I'd strongly suggest putting these three cheap stocks on your watch list. All three picks own impressive market-beating track records and are trading at discounted prices.

Algonquin Power

Of the three companies, **Algonquin Power** (TSX:AQN)(NYSE:AQN) is undoubtedly the slowest growing. But as a utility stock, growth isn't the main reason I'd recommend picking up shares of Algonquin Power.

Passive income is the first of two reasons why this value stock is on my radar. At today's stock price, Algonquin Power's dividend is nearing a very impressive 5% yield. Not many other Canadian stocks can match Algonquin Power's track record of growth and pay a dividend yielding 5%.

The second reason I'm interested in owning shares of Algonquin Power is its dependability. Since utility stocks tend to be low-volatility investments, they can help balance out more high-risk growth stocks that investors may own.

There's a lot to like about this utility stock. On top of the passive income and dependability, shares are up a market-beating 50% over the past five years. And that's not even including dividends.

In addition to that, shares are now down 20% from all-time highs. This is a buying opportunity that long-term investors will not want to miss.

Kinaxis

Shares of **Kinaxis** (TSX:KXS) may not be cheap from a valuation perspective, but they are trading at discount. The tech stock is down more than 30% from all-time highs from just two months ago. Even with the recent selloff, though, shares are still up close to 150% over the past five years.

The tech company provides its global customers with a range of different supply chain management software solutions. And with all of the supply chain issues that companies across the globe have been dealing with during this pandemic, I believe we'll see an increase in demand for Kinaxis's software over the next several years.

I don't think investors will have long to start a position before Kinaxis is back to all-time highs. If you already had the tech stock on your watch list, I'd suggest pulling the trigger soon.

WELL Health Technologies

The last pick on my list was one of the top-performing Canadian stocks in 2020. Shares of **WELL Health Technologies** (TSX:WELL) surged 400% two years ago, as COVID-19 caused a sudden spike in demand for the company's services.

As demand for the company's telemedicine services has cooled off, so has the stock price. Shares are currently trading more than 50% below all-time highs set in early 2021.

Despite the off year in 2021, WELL Health still owns an incredible market-beating track record. Shares are up close to 2,000% over the past five years and more than 3,500% since going public in just 2016.

If you're bullish on the long-term growth potential of telemedicine, which I certainly am, this is a company you'll want to own.

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:WELL (WELL Health Technologies Corp.)

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