3 Incredibly Cheap Canadian Stocks Under $30 Today

Description

While the **TSX Index** has a 0.05% gain in 2022, many high-valuation, high-growth Canadian stocks are down 10%-30% in the past month alone. For example, **Shopify** (Canada's largest and most well-regarded technology stock) is down nearly 25% in less than a month.

As interest rates are expected to rise, lofty valuation multiples are expected to decline. Hence, the correction in growth stocks. While I am still bullish on technology stocks for the long run, this could be a short-term headwind.

Consequently, it may not be a bad idea to increase exposure to some more value-focused areas of the market. In fact, here are three cheap Canadian stocks that each trade under $30 per share right now.

A cheap Canadian utility stock

If volatility is expected to increase in 2022, a nice safe haven investment is in utilities. **Algonquin Power** (TSX:AQN)(NYSE:AQN) stock declined more than 18% in 2021. Today, at $17.81 per share, it is attractive for a number of reasons.

Firstly, its dividend yield is 4.85%. That is much higher than its five-year average of 3.7%. If you are looking for a nice dividend-growth stock, Algonquin has a strong history of increasing its dividend by 7%-10% annually.

Secondly, on a price-to-earnings (P/E) basis it only trades at 13 times. This seems like a fair valuation for a low-risk company that is growing its rate base and earnings per share annually by 14% and 8%-10%, respectively.

A cheap Canadian energy stock

Oil has been roaring in 2022 and it doesn't appear to be slowing anytime soon. Having some exposure to the cyclical energy sector may not be a bad idea. **Cenovus Energy** (TSX:CVE)(NYSE:CVE) looks well positioned for strength in 2022.

The company recently acquired Husky Energy and it has done an excellent job integrating those assets and selling non-core holdings. Consequently, the company's debt structure is quickly dropping, and its overall cost and risk structure is rapidly improving. It certainly helps that oil is consistently trading over US$80 per barrel right now.

Today, this Canadian stock is cheap with a forward P/E ratio of only 6.5. It trades at a discount to its integrated peers. However, it shouldn't, especially given that it is generating outsized levels of free cash flow when compared to competitors.

A bargain technology stock

If you are looking for a cheap Canadian growth stock, **Sangoma Technologies** (TSX:STC)(NASDAQ:SANG) is interesting. It trades at $19.60 per share today. That is down nearly 30% over the past year. While the stock has been declining, it has produced very strong revenue and EBITDA growth in 2021.

Sangoma provides communications-as-a-service software solutions to small-to-medium sized businesses across the world. It recently made a large acquisition in the U.S. that bolstered its geographic presence there. It also increased its cloud-based solution suite, which will enhance margins and create new selling categories.

Sangoma trades at a substantial discount to similar type communications businesses in the U.S. This Canadian stock only trades with an enterprise value-to-EBITDA ratio of 8, which is a bargain for a stock growing EBITDA at a +50% clip.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:CVE (Cenovus Energy Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:CVE (Cenovus Energy Inc.)
5. TSX:STC (Sangoma Technologies Corporation)

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