



## 2 Top Canadian Stocks to Buy Under \$35

### Description

Most investors fear volatile market environments because of the significant impact on their investment returns. As the fear settles in, many investors choose to tuck their tails between their legs and cash out of the stock market to save their investment capital. The selloff catalyzes the downturn and results in share prices slumping to greater lows.

2021 ended in volatility for the Canadian stock market, and that uncertainty has seeped into 2022. At writing, the **S&P/TSX Composite Index** is down by 3.26% year to date. The recent selloff in equity securities has also led to a sharp pullback in several high-quality TSX stocks, making many of them seem far more attractive investments at current levels.

Today, I will discuss two [undervalued stocks](#) that offer plenty of growth with their recoveries after correcting to below the \$35 mark. If you have some investment capital to spare and you're looking for value stocks to add to your portfolio in the volatile market today, you might want to keep a close eye on these two companies.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is an \$11.81 billion market capitalization regulated utility and renewable energy company headquartered in Oakville. Algonquin stock offers an ideal combination of low-risk yet high growth potential through its two business segments.

The regulated utility business generates stable and predictable cash flows for the company, while its renewable energy business sets it up for significant long-term gains as the industry grows. The broader pullback has seen Algonquin stock slump by 3.19% year to date. Trading for \$17.58 per share at writing, Algonquin stock also offers a juicy 4.95% dividend yield that you could lock into your portfolio.

### Lightspeed Commerce

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is not a name you would typically expect to see

when reading about undervalued stocks. The \$5.13 billion market capitalization tech giant soared to unimaginable new heights. At one point, many investors speculated that it could become the next **Shopify**.

While it has not exhibited the uncontrolled growth of Shopify stock, Lightspeed Commerce has provided multi-bagger returns in the few years it has been trading on the stock market.

A short-seller report, overall tech selloff, and challenges caused by the pandemic have caused Lightspeed stock to slump by almost 77% from its September 2021 peak, and it keeps going lower. Despite its performance on the stock market, Lightspeed Commerce has a strong future ahead of it.

A sustained demand for its digital products, expanding presence, and strategic acquisitions make Lightspeed a solid investment and a bargain at current levels. At writing, Lightspeed stock trades for \$34.59 per share.

## Foolish takeaway

Not all high-quality stocks corrected during a market downturn are long-term value bets. Some TSX stocks have corrected to significantly lower valuations, because they were overvalued and warranted a downward correction. It's important to pick high-quality stocks that boast the potential to provide you with significant [capital gains](#) by recovering to higher valuations.

Algonquin Power & Utilities and Lightspeed Commerce are strong businesses, and the demand for their services will likely remain strong in the coming years. The current downturn might be a good opportunity for you to scoop up the shares of these companies [at a bargain](#).

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1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

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