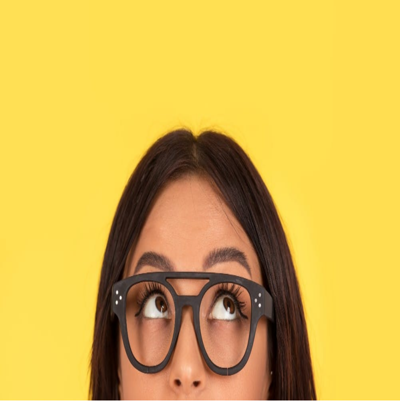

3 Canadian Stocks That Are Dirt Cheap Right Now

Description

Market crashes are rare, but dirt-cheap discounted stocks, not so much. There is a decent number of undervalued or discounted stocks on the market at any given time. The two different pools overlap heavily, but it's essential to understand the distinction.

Currently, three dirt-cheap stocks should be on your radar right now.

An e-commerce stock

Lightspeed (TSX:LSPD)(NYSE:LSPD) is experiencing the heaviest plunge since inception. In the market crash, the stock only dipped 27% at max. In contrast, it has fallen about 79% so far, and there is no recovery pattern in sight for now. This is due to multiple factors, the most prominent of which would be the overdue correction after the post-pandemic growth, the tech fall as a whole, and a short seller's report pointing out discrepancies and flaws in the Lightspeed stock.

The company saw a leadership change following the series of events, and a new CEO was appointed. It also sought to improve the platform and enhance its offerings, such as its TikTok integration.

One ray of light for this stock might be a massive insider buying trend that was seen in the stock. It may be an indication of a positive recovery cycle and a signal to buy now.

An undervalued steel stock

If you are looking for a heavily undervalued stock, **Stelco** (TSX:STLC), which was once Canada's premier steel producer, is a good option to consider. The stock is not nearly as discounted as Lightspeed. In fact, it's currently trading at near its all-time high. However, the price-to-earnings of 2.1 indicates the extent of its undervaluation.

Stelco is a decent buy for its dividend yield (which is currently at 2.9%) and its capital growth potential (under the right circumstances), but it may not be the best time to buy it. The stock might go through a correction phase which may push the valuation much further down than the 16% (from its peak) it is now. You may also lock in a much better yield than the current one.

A discounted hydrogen stock

While it doesn't get as much attention as renewables, hydrogen may come to play an essential role in the green future of our world. And if that happens, companies like **Ballard Power Systems** (TSX:BLDP)(NASDAQ:BLDP) may shine quite brightly. The stock did experience incredible growth between 2019 and its 2021 peak, when it saw its market value rise well over 1,000%.

However, the fall has been just as hard. The stock is currently trading at a 71% discount from its 2021 peak, and this discount tag might become heavier if the fall continues. It would be a good idea to track the fall and buy just before the long-term upward momentum becomes permanent. Thanks to its business model and focus, the stock may experience powerful growth in a greener future market.

Foolish takeaway

Only one out of the three is an undervalued stock. Still, the discount of Ballard and Lightspeed is just as compelling a reason to buy these companies as the undervaluation of Stelco. When bought at a discount and held for the long term, all three companies could be powerful assets in your portfolio.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks
4. Tech Stocks

TICKERS GLOBAL

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2. NYSE:LSPD (Lightspeed Commerce)
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4. TSX:LSPD (Lightspeed Commerce)
5. TSX:STLC (Stelco Holdings Inc.)

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