



2 Canadian Stocks to Buy Under \$5 a Share

Description

No matter what's going on in the stock market, there are always opportunities for investors to find. The key is to be patient and ensure that no matter what investments you make, the top Canadian stocks you're buying on the **TSX** are high-quality companies.

Whether it's growth stocks, value stocks, or dividend stocks you're considering, with all the volatility lately, there are plenty of different stocks in many industries that offer investors potential today. And the best way to find these stocks is to stay disciplined and keep a long-term outlook on markets, no matter what's happening in the short term.

So if you're looking for Canadian stocks to buy, here are two to consider, which both trade for under \$5 a share.

A top Canadian value stock

Despite the fact that **Corus Entertainment** ([TSX:CJR.B](#)) has been cheap for some time, it continues to be one of the top Canadian stocks to buy today. And when it's trading under \$5 a share, Corus' value is extremely attractive.

Corus is a Canadian media company with TV and radio assets, streaming services and its own production segment. For years the company has been out of favour, as investors have feared the impact cord-cutting would have on its business.

And despite some asset write-downs in the past and the significant turnaround it's been that has seen it pay down a tonne of debt, Corus continues to generate attractive cash flow every quarter.

The company is in much better shape today, not just operationally but also financially. And now that it's made progress on paying down debt, and its share price continues to be unbelievably cheap, share buybacks could be a significant catalyst in helping Corus' stock to rally.

You may be wondering just how cheap Corus is. Right now, as of Tuesday's closing price just below

\$5 a share, Corus trades at a forward [price-to-earnings](#) ratio of 5.9 times. In addition, its price to free cash flow ratio is just 4.6 times, which is incredibly low.

What's most compelling about Corus, though, is that even if it continues to trade flat for some time, it provides a current yield of 4.8%. And with the company generating so much free cash flow, that dividend is incredibly safe. So even if you take Corus' earnings per share, the stock still only has a payout ratio of less than 30%.

In fact, Corus is so cheap that the average analyst target price sits at nearly \$8, or more than 55% higher than where it trades today. So if you're looking for a cheap Canadian stock to buy today, Corus is one of the best value stocks on the TSX.

A top Canadian tech stock to buy now

Another top Canadian stock you can buy for under \$5 a share today is **WELL Health Technologies** ([TSX:WELL](#)). WELL is a health care [tech stock](#) with massive potential. However, a quick glance at WELL's chart shows the stock has been out of favour for some time after seeing a significant rally at the start of the pandemic.

Regardless of its past volatility, though, WELL is a solid business with tremendous long-term potential. The pandemic showed that the health care industry is in desperate need of technological upgrades and more efficient service. So, although the demand for telehealth services has dropped off in the short term, over the long run, these businesses and other digital health apps continue to offer significant long-term potential.

WELL stock is interesting because it's a high-quality tech stock that can grow its sales rapidly. However, despite this short-term growth potential, it's more of a long-term investment. Therefore, when it's trading at a significant discount as it is today, it's one of the top Canadian stocks you can buy.

In fact, while it's not as cheap as Corus, because it's a significant growth stock I'd argue it offers much more potential for investors over the next decade. That's why it's not surprising that its average target price from analysts sits more than 120% above where WELL trades today, one of the most significant premiums on the market.

So given WELL's long-term potential and the fact that investors can buy it at a significant discount today, if you're looking for top Canadian stocks to buy that are trading under \$5 a share, WELL is one of the best there is.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:WELL (WELL Health Technologies Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. danieldacosta
2. jguest

Category

1. Investing
2. Stocks for Beginners

Date

2025/08/22

Date Created

2022/03/16

Author

danieldacosta

default watermark

default watermark