3 Incredibly Cheap Canadian Stocks to Buy in March

Description

Canadian stocks are seeing incredible volatility in March. If you own any Canadian technology or growth stock, you likely know what I mean. There is undoubtedly a wall of worry facing markets.

However, if you have capital that you can afford to invest (i.e., that you don't need in the near future) and a very long time horizon (five or more years), there are some really attractive buying opportunities today. Here are three incredibly cheap Canadian stocks to buy and hold for the long run.

Suncor: A top Canadian integrated energy stock

Canadian energy stocks have been absolutely roaring in 2022. With many countries facing serious energy crises, energy prices could remain elevated for some time. If you want broad exposure to this factor, **Suncor Energy** (TSX:SU)(NYSE:SU) is a good large-cap energy stock to own.

It produces, refines, and markets oil products across North America. While this Canadian stock is up 24.5% in 2022, it has lagged many of its peers. Today, it only trades for only six times earnings and 6.4 times cash flows.

Even if oil prices normalize, say to the mid-$70 range, Suncor still generates a lot of free cash flow. Today, Suncor pays an attractive 4.15% dividend, so investors get paid for the share price to catch up to its fundamentals.

Hardwoods Distribution: An undervalued growth stock

One major issue many Canadians and Americans are aware of is the rising cost of housing. North American housing supply has trailed demand for several years. The only remedy is for significantly more housing development. This is a favourable trend that should support **Hardwoods Distribution** (TSX:HDI) for the years ahead.

This Canadian stock is one of North America's largest distributors of architectural building supplies (trim, doors, stairs, hardwood plywood, etc.). Since 2016, it has grown revenues, profit per share, and free cash flows by compounded annual growth rates of 22%, 37%, and 37%, respectively. It has done this by consolidating small and large building product suppliers in North America.

Now with broad scale and a wide addressable market, it has significant organic growth opportunities. Today, the company has great pricing power and a strong supply chain. Despite rising 26% in the past year, this stock is still very cheap at seven times earnings.

Telus International: A cheap Canadian tech stock

If you are looking for a cheap Canadian technology stock, there are many that look attractive today. **Telus International** (TSX:TIXT)(NYSE:TIXT) stock is down nearly 30% this year alone. With a price of $29.40 per share, this stock only trades with an enterprise value-to-EBITDA ratio of 11 times. It is yielding a 5.7% free cash flow yield!

Telus International helps large organizations and brands grow and manage their digital customer strategy. TI has developed a particular expertise in machine learning, artificial intelligence, and data analytics. It has attracted contracts with mega-tech companies like Google, Facebook, and **Amazon.com**.

TI had a banner year last year. It grew revenues and adjusted EBITDA by 39% and 38%, respectively. That was at the high end of its expectations. While growth will probably slow to a mid- to high teens rate in 2022, the company still looks attractive.

It has a solid balance sheet and yields a significant amount of free cash flow. For price to value, this Canadian tech stock looks like an interesting buy right now.

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