



## 2 Canadian Stocks to Buy Trading With P/E Ratios Under 10

### Description

The selloff in markets lately has created a tonne of cheap stocks for investors to consider. And, as many investors know by now, when stocks are this cheap, it's an excellent opportunity to find high-quality Canadian stocks to buy.

One of the ways that investors value stocks in order to see how cheap they are, and one of the most fundamental metrics you can use to value stocks is the [price-to-earnings](#) (P/E) ratio.

The P/E ratio is one of the first and most basic metrics to use because, at the end of the day, we want to pay as little as possible to buy businesses that can generate robust and recurring earnings. However, the P/E only tells one side of the story. You'll need to look at other metrics too to verify that the stocks in question are, in fact, worth buying.

In addition, the P/E ratio doesn't necessarily work for every industry, depending on how their accounting works. However, there isn't really any single metric you can use. You'll always have to look at several different numbers to verify that a stock is actually [undervalued](#). So, using the P/E ratio can be ideal for helping investors screen for cheap stocks, then confirm they're cheap with other ratios.

Therefore, if you're looking to buy Canadian value stocks today, here are two cheap stocks trading with P/E ratios under 10.

### One of the cheapest stocks that Canadian investors can buy now

One of the most undervalued stocks in Canada that's trading ultra-cheap today and has been for some time now is **Corus Entertainment** ([TSX:CJR.B](#)).

Corus is a media company that owns TV channels, radio stations, streaming services and even its own content production business.

For a while now, Corus stock has been struggling, despite the fact that its business operations and its

financials have continued to improve over the past few years. Even with a significant impact from the pandemic, Corus has managed to continue to generate tonnes of free cash flow and pay down a lot of its debt.

So, with the stock in a much better operating position today, the fact that it trades at a forward P/E ratio of just 5.4 times is astonishing. That's not all, though. Corus also pays an ultra-safe dividend that offers a current yield of more than 5.4% and has a payout ratio right around 30%.

That shouldn't be surprising, though, when you consider that the stock currently trades at a price-to-free cash flow ratio of just 4.1 times.

Therefore, if you're looking for cheap Canadian stocks to buy in this environment, Corus is undoubtedly one of the best you can consider today.

## A top Canadian growth stock trading ultra cheap

In addition to Corus Entertainment, another unbelievably cheap company, and one of the best Canadian stocks to buy now is **goeasy** ([TSX:GSY](#)), the specialty finance company.

While Corus is cheap because it's struggled in the past, and its industry continues to go through a major shift in consumer preferences, goeasy is cheap for several different reasons.

goeasy stock has been one of the most impressive Canadian growth stocks over the last couple of years, so, already, goeasy had been trading with a premium.

However, the selloff in its growth premium would explain some of the significant fall from its 52-week high. The fact that goeasy trades at a forward P/E ratio of just 9.9 times, though, is still extremely surprising.

In general, 10 times earnings for any stock is considerably low. However, when you consider what a high-quality company goeasy has been, how well it's executed in recent years, and the potential it has to continue growing its business, 10 times earnings is ultra cheap, making goeasy one of the best Canadian stocks to buy now.

Plus, the discount in the growth stock's price is not the only reason to buy. Thanks to its rapidly growing income, goeasy recently increased its dividend by a whopping 33%.

Therefore, with the stock trading ultra-cheap, offering tonnes of potential and providing investors with a yield that's currently upwards of 3.1%, there's no question that goeasy is one of the best Canadian stocks to buy now.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)

2. TSX:GSY (goeasy Ltd.)

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