



2 Canadian Stocks Trading at Unheard of Prices

Description

The Canadian stock market is in the middle of a major pullback that has seen many of its pandemic-era gains wiped out. The **S&P/TSX Composite Index** is down by almost 12% year to date and 15.73% from its 52-week high. The downturn in Canada's benchmark equity index reflects the state of the broader economy.

Inflation rates have not been this high in over 25 years. The Bank of Canada (BoC) and the U.S. Federal Reserve have been enacting several interest rate hikes to bring the red-hot inflation under control. However, the combined impact of inflation and higher interest rates has caused equity markets to plummet.

Market downturns like these devastate investor returns because many stock market investors start unloading their shares to flee risk. Where most investors avoid markets during downturns like the plague, opportunistic investors use these conditions as an opportunity to find [undervalued stocks](#) to add to their portfolios.

Today, I will discuss two high-quality stocks trading at significant discounts to consider investing in at current levels.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is a \$152.80 billion market capitalization giant in the Canadian banking industry. The Toronto-based multinational banking and financial services corporation has a strong presence in the U.S. retail banking market.

The bank was not spared from the impact of the broad market downturn but remains favourable for long-term investors due to its stellar performance during the pandemic and after it.

Toronto-Dominion Bank stock trades for \$84.01 per share at writing, and it boasts a juicy 4.24% dividend yield. Down by 15.44% year to date and 22.98% from its 52-week high, TD Bank stock could be an excellent value bet at current levels.

AltaGas

AltaGas ([TSX:ALA](#)) is a \$7.36 billion market capitalization energy infrastructure company headquartered in Calgary. The company generates revenues through four business segments, namely midstream services, power, utilities, and corporate.

Its utility segment owns and operates highly rate-regulated natural gas distribution assets across North America. It has put up strong figures in its financial performance in the last few quarters and looks poised to continue benefiting from rising energy prices in the coming weeks.

AltaGas stock trades for \$26.21 per share at writing, and it boasts a 4.04% dividend yield. Its share prices are down by 2.49% year to date and 15.88% from its 52-week high. AltaGas stock could be a good stock to consider adding to your portfolio at current levels if you seek undervalued stocks right now.

Foolish takeaway

Several of the top market indexes have entered bear market territory. The Canadian economy does not appear to be in the best shape it has been in a very long time. Whether the downturn results in a full-blown market crash remains to be seen. However, it is all part of the cyclical nature of stock markets.

When markets eventually recover, high-quality companies that have been oversold will likely deliver outsized returns to investors who established positions at highly discounted valuations. Companies with strong fundamentals and the ability to post a strong recovery from their lows in the current environment can make for viable investments right now.

TD Bank stock and AltaGas stock could be excellent assets to add to your self-directed portfolio for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:TD (The Toronto-Dominion Bank)

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