



3 Canadian Stocks to Buy With P/E Ratios Under 10

Description

Today's investing environment is an excellent opportunity for investors to buy stocks at a discount, especially for long-term investors looking to buy and hold these stocks for years. With so many Canadian stocks trading undervalued, though, it's crucial to ensure that the stocks you buy are, of course, high quality but also offer attractive valuations.

This makes it crucial to look at fundamentals before you decide to buy. You want to verify that these stocks have solid operations. However, you also want to look at valuation metrics to see just how much of a deal you can get buying these stocks today.

And of all the valuation metrics to use, the [price-to-earnings](#) (P/E) ratio is one of the most basic.

It's, of course, not the only ratio to use. However, it can be a great starting point to look at stocks and find the most undervalued businesses.

So, if you've been looking to take advantage of the [market correction](#), here are three undervalued Canadian stocks to buy today, all with P/E ratios under 10.

A top Canadian gold stock

One of the cheapest stocks in Canada and a top stock to consider today is **B2Gold** ([TSX:BTO](#))(NYSE:BTG), one of the lowest-cost gold producers you can buy.

Because B2Gold is a low-cost producer, it's highly profitable when gold prices are high and, therefore, one of the best Canadian gold stocks you can buy and hold for the long haul.

Plus, after its recent selloff, B2Gold now trades with a forward P/E ratio of just 7.4 times. That's considerably cheaper than its average over the last three years of 10.6 times. In addition, over the last five years, its average forward P/E ratio was 13.4 times.

Besides the fact that B2Gold is cheap, it also has an incredibly strong balance sheet with hardly any

debt. And because it has so much cash, B2Gold actually has a net cash position.

Therefore, while the gold producer trades at an attractive valuation and pays an exceptional yield of 4.8%, it's certainly one of the best Canadian stocks to buy now.

One of the cheapest Canadian stocks to buy now

Another ultra-cheap stock to consider today is **Corus Entertainment** ([TSX:CJR.B](#)), a Canadian media company.

Corus is unbelievably cheap. And while its P/E ratio is extremely low, and it's certainly cheap from an earnings standpoint, it's also cheap from a free cash flow standpoint, making the stock hard to ignore.

Right now, Corus trades at a forward P/E ratio of just 4.5 times. Furthermore, the stock offers investors an impressive dividend which currently yields 6.9%. And that's with just a roughly 35% payout ratio.

In just the last two years, Corus has earned just shy of \$500 million of free cash flow. Meanwhile, its market cap today is just over \$700 million.

Furthermore, it's used that cash to pay down roughly \$375 million in debt while also paying back another \$100 million in dividends through that stretch.

Therefore, as Corus continues to create exceptional value for shareholders while also trading unbelievably cheaply, it's certainly one of the best Canadian stocks to buy now.

A top retail stock that's been performing well in recent years

Canadian Tire ([TSX:CTC.A](#)) is another stock for value investors to keep an eye on. Despite its consistently impressive performances in recent years, the stock has sold off recently, as investors grow increasingly concerned about the impact inflation could have as well as the potential for a recession in the near term.

This has caused Canadian Tire's valuation to fall rapidly. In fact, over the last 12 months, its forward P/E has fallen from 12.7 times to just 8.7 times today.

The reason its valuation has fallen so considerably is twofold. Not only is its stock price getting cheaper, but Canadian Tire continues to perform well and report impressive growth in its earnings.

Therefore, while this major Canadian retailer trades so cheaply and now offers a dividend yield that's just shy of 4%, it's certainly one of the top Canadian stocks to put on your buy list.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)

3. TSX:CJR.B (Corus Entertainment Inc.)
4. TSX:CTC.A (Canadian Tire Corporation, Limited)

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