# 2 Cheap Canadian Stocks to Buy Today, Even if We Are Headed for a Recession

## Description

Despite growing concerns of a recession, the Canadian and U.S. stock markets are carrying a lot of bullish momentum right now. The **S&P/TSX Composite Index** ended last week up more than 3%, and the U.S.-based **S&P 500** topped 4% in growth during the week.



All these gains are coming off of what I would have guessed would have been a loss-filled week. The U.S. announced another interest rate hike, coming in at an increase of 0.75 percentage points. That being said, I'd argue that this increase was largely expected by investors.

What really surprised me was the stock market's reaction to the news of the U.S. economy's second consecutive quarter of slowing growth. Again, many investors may have been expecting that news when it was released last week. However, further confirmation that the U.S., and possibly Canada too, are already in a recession would have made me think that at least a slight selloff in the stock market would have been triggered.

## Recession or not, I'm still investing

All that to say, this is definitely not a time for long-term investors to sell their positions. In fact, now would be a wise time to load up on top Canadian stocks. And after the stock market's strong performance last week, Canadian investors may want to act quickly.

The saying goes that investors hate uncertainty. Uncertainty is a major catalyst for volatility in the stock market, which investors have had no shortage of over the past year. However, I'd argue that there's more certainty in the market today than some people may think.

In addition to rising interest rates and inflation, there's also the very real chance that we're already in a recession. While that's certainly not good news to hear if you're an investor, you could make the case that a lot of that negative outlook is already priced into the market.

The market's performance last week is giving investors a glimmer of hope. I wouldn't bank on volatility slowing down just yet but I also don't think there will be as much selling as many investors may be bracing for through the remaining five months of the year.

## Two Canadian stocks that investors should be acting on fast

At the top of my watch list right now are two market-beating stocks that are still trading at opportunistic discounts.

**Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP) is a world-leading renewable energy provider, offering its global customers a range of different green energy solutions.

Demand for renewable energy is only rising, which is why I'm already a shareholder of this top energy company.

Shares are positive on the year, but still down from all-time highs set in early 2021.

If you're bullish on the long-term growth potential of renewable energy, this company should be on your radar.

**Constellation Software** (TSX:CSU) is a tech stock that I've had on my watch list for a while.

The company has been quietly outperforming the broader Canadian stock market's returns for more than a decade. Growth has slowed in recent years, but there's still plenty of market-beating growth left in the tank.



Shares have surged close to 15% over the past month, but the tech stock is still down on the year.

This is a perfect pick for any long-term investor that's looking for an affordable growth stock in the high-flying tech sector.

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