



2 Cheap Canadian Stocks That Likely Won't Be on Sale For Much Longer

Description

Canadian investors have had no shortage of buying opportunities through the first seven months of the year. The **S&P/TSX Composite Index** is down more than 5% year to date with plenty of high-quality stocks trading at losses far more than that. But over the past month, we've witnessed some momentum gather in the stock market.

Despite continued fears of a recession, the forward-looking stock market is finally showing signs of bullishness. Perhaps all the pessimism surrounding rising interest rates, inflation, and a recession have already been priced in.

As a long-term investor, I've continued to add to my positions throughout the year. But with the market now showing signs of life, some of the discounts that I've been taking advantage of this year might not be around for much longer.

I've discovered two top Canadian stocks that are close to returning to all-time highs. Both stocks are up about 10% over the past month, well on their way to setting new 52-week highs.

If you've got some cash to spare, these two companies should be at the top of your watch list.

Canadian stock #1: Brookfield Renewable Partners

[Renewable energy](#) stocks across the **TSX** have been on fire over the past two months. However, prior to this recent surge, many of those companies had been trending mostly downwards since early 2021.

Renewable energy is one area of the market that I'm extremely bullish on. I'd encourage any long-term investor to think about gaining exposure to this growing industry.

At a market cap of over \$30 billion, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is not only a Canadian but a global leader in the renewable energy space. The subsidiary of **Brookfield Asset Management** offers its global customers a wide range of different green energy solutions.

The stock is up a market-crushing 15% year to date. Going back five years, shares are up more than 125%. In comparison, the broader Canadian stock market has returned only 30% in the same time span. And all that growth from Brookfield Renewable Partners isn't including dividends, either.

At today's stock price, the company's dividend is yielding above 3% annually. Not bad for a stock that's more than doubled in price over the past five years.

Shares are still down about 15% from all-time highs set in 2021. But at the rate the stock has performed lately, it might not be trading at a discount for much longer.

Canadian stock #2: Constellation Software

There aren't many Canadian stocks that have outperformed the growth of **Constellation Software** ([TSX:CSU](#)) since it went public 15 years ago. The under-the-radar [tech company](#) has been quietly delivering consistent market-beating returns to its shareholders since the it joined the TSX.

Growth has slowed in recent years but the tech stock is not yet anywhere near underperforming the market's returns. Shares are up a market-crushing 200% over the past five years.

The stock is currently trading close to 10% below 52-week highs. It's not a huge discount but this is not a stock that goes on sale like this very often.

If you're looking to add a dependable growth stock to your portfolio, Constellation Software is an excellent choice, especially at this price.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:CSU (Constellation Software Inc.)

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