



2 Undervalued Canadian Stocks Worth a Buy Right Now

Description

Canada's primary stock market made a resounding comeback to start the fourth quarter of this year. All 11 sectors advanced on October 3, 2022, led by the technology sector's 5.6% gain. If you're scouting for great buys right now, two stocks continue to trade way below their intrinsic values.

You can capitalize on these bargains and snag [undervalued TSX stocks](#) like **Aura Minerals** ([TSX:ORA](#)) and **Cineplex** ([TSX:CGX](#)). Both are selling at less than \$10 per share, but the potential windfall could be substantial.

Top-ranked growth stock

Aura Minerals ranked number one on the 2022 TSX30 List for the second year in a row. The [mining stock](#) was also a top-ranked stock in 2021. It won top honors in the fourth edition of the flagship program for growth stocks owing to its +683% performance (adjusted by dividends) in the last three years.

However, the current share price of \$9.58 seems too low vis-à-vis the growth potential. Company President and CEO, Rodrigo Barbosa, said, "This award is a market recognition of Aura's potential to deliver value to shareholders and to our team." He adds that Aura has already demonstrated its ability to deliver results in a volatile environment, first with the pandemic and now with high inflation.

The \$633.23 million mid-tier gold and copper producer develops and operates gold and base metal projects in the Americas. Apart from the San Andres gold mine in Honduras, Aura has producing assets in Brazil (Ernesto/Pau-a-Pique gold mine) and Mexico (Aranzazu copper-gold-silver mine).

According to Barbosa, Aura still has a lot to do, including progressing and completing additional gold projects in Brazil (Almas and Matupa). Last month, management announced the acquisition of Big River Gold Limited. Big River's sole asset, the Borborema Gold Project, falls under the joint venture between Aura (80%) and Dundee Resources Limited (20%).

While profit declined 13.4% to \$43.86 million in the first half of 2022 versus the same period in 2021,

management expects higher production in the second half of 2022. For income investors, Aura pays a juicy 6.98% dividend (semi-annual payouts).

Capitalizing on pent-up consumer demand

Cineplex is still in recovery mode due to the fallout of the COVID-19 pandemic. The stock is down 33.7% year-to-date. Nevertheless, market analysts covering CGX recommend a buy rating. Their 12-month average price target is \$14.96, or a 66% increase from the current share price of \$9.01.

The \$586.2 million entertainment and media company recently shared some good news with investors. Because of the 1,013% increase in theater attendance in the first half of 2022 versus the same period in 2021, total revenues soared 444% year-over-year to \$578.6 million. Likewise, net loss reduced to \$40.9 million from \$193.4 million.

Ellis Jacob, Cineplex's President and CEO, said about the Q2 2022 results, "Cineplex delivered its strongest quarter in over two years, thanks to a great film slate and record-breaking results from across our diversified businesses." Net income for the quarter reached \$1.3 million compared to the \$103.7 million net loss from a year ago.

Jacob adds that Cineplex is well positioned to further capitalize on pent-up consumer demand for affordable out-of-home entertainment.

Interesting prospects

Aura Minerals and Cineplex are interesting prospects for value investors. The stocks should unlock their true values with the easing of inflation.

CATEGORY

1. Dividend Stocks
2. Investing
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2. TSX:ORA (Aura Minerals Inc.)

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