3 Cheap Canadian Stocks With P/E Ratios of Less Than 10X

Description

The price-to-earnings (P/E) ratio is a helpful valuation tool for investors to use. For the sake of this article, we'll be looking at the trailing P/E ratio. This ratio looks at the valuation of the last 12 months to see how valuable these Canadian stocks are.

But what exactly is a P/E ratio? This metric looks at the current share price and divides it by the company's total earnings per share over the last 12 months. Looking at actual performance can be more reliable than guidance from companies, and gives a far more accurate depiction of company performance.

So when a P/E ratio is under 10, that company is considered valuable. In fact, if it's under 15 it's valuable, with under 10 being far into value territory. Which is exactly where these three Canadian stocks land.

TD stock

If you're looking for cheap Canadian stocks, look at the Big Six Banks. And to get even more specific, at **Toronto Dominion Bank** (TSX:TD). TD stock may be the second largest in terms of market cap, but it's the largest in terms of growth.

TD stock continues to expand into more and more lucrative paths. It has the ability to create many options for clients to create loans, start investing, and even just start saving. Furthermore, it's created credit card deals, wealth and commercial management connections, and more. So even with loans down, it has provisions to keep it on top.

Trading at just 9.5 times earnings, TD stock is a crazy deal. It also allows you to lock up a dividend yield at 4.31% as of writing while shares are down 13.7% in the last year.

Cargojet

Despite its connection to the e-commerce sector, **Cargojet** (TSX:CJT) continues to perform incredibly well. In fact, it recently extended its partnership with Canada Post to 2029. This marks yet another partnership with major package carriers that gives the company recurring revenue for years to come.

Yet, shares of Cargojet stock trade at just 7.3 times earnings! This is astoundingly low based on its performance, necessity, and future outlook. Cargojet stock is basically begging to be purchased, especially given that shares are down about 34% in the last year alone.

E-commerce will continue, demand will continue, and as the only Canadian overnight cargo airline, business will continue. That's what makes Cargojet stock one of the cheapest Canadian stocks you can consider for future growth.

Teck stock

Finally, if you're looking for something to get you through a recession, one of the cheapest Canadian stocks out there is **Teck Resources** (TSX:TECK.B). Trading at just 6.5 times earnings, it's also begging to be bought. But for entirely different reasons.

Shares of Teck stock fell, then climbed back up after the company sold assets to bring in half a billion from the sale. This strengthened its balance sheet, allowing it to get back to a position where it is ready to resume growth.

And given that the miner focuses on basic materials like copper, silver, coal, and even lithium, the company remains set up for future growth in all these areas. No matter what the market does.

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2. TSX:TD (The Toronto-Dominion Bank)
3. TSX:TECK.B (Teck Resources Limited)

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