2 Undervalued TSX Stocks to Buy Right Now

Description

Year to date, the Canadian stock market is already up more than 5%. All the optimism surrounding the country's re-opening has been a major reason for the Canadian market's hot start this year. Investors are showing how bullish they are on consumer spending to return to pre-COVID-19 levels this year.

While the **S&P/TSX Composite Index** is on fire right now, not all **TSX** stocks are trading at all-time highs. We've seen a sell-off in the tech sector over the past few weeks that has presented a very opportunistic buying opportunity for growth investors. And for the long-term value investors, we're still seeing top companies that have yet to return to all-time highs that trading at very attractive valuations right now.

If you're already loaded with growth in your investment portfolio and are instead looking for a value play, I've got you covered. I've reviewed two top TSX stocks that I believe are extremely undervalued at these prices. If you've got patience and a long-term time horizon, you'll want to add these two companies to your watch list right away.

This TSX stock has it all

A cheap stock price is not the only reason you should have **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) on your watch list. This TSX stock can provide investors with growth, passive income, and stability, all at a reasonable price.

Algonquin Power & Utilities is both an electricity generator and utility provider to its customers. Within the electricity generating division, the company has an impressive renewable energy product offering. It provides its customers with wind, solar, and hydroelectric renewable energy.

The $12 billion company is able to drive market-beating growth for its shareholders through its fast-growing renewable energy division, whereas the utility part of the business provides shareholders with stability. No matter the market condition, consumers will most likely continue to pay their utility bills.

In addition to stability and growth, Algonquin Power & Utilities has a dividend that's hard to match. At today's stock price, the company's annual dividend of $0.79 per share is good enough for a yield of just under 4%.

Algonquin Power & Utilities shareholders can benefit from growth, stability, and a top dividend, all at an affordable price. At a forward price-to-earnings (P/E) ratio of 25, it's not the cheapest stock on the TSX, but considering what you're getting in return, it's an absolute bargain.

You can't go wrong with buying a Canadian bank

If you're a fan of Algonquin Power & Utilities, you'll likely be a fan of **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) too.

The Canadian banks were amongst the hardest hit TSX stocks during the COVID-19 market crash. The low-interest-rate environment led to a massive drop in share price across each of the Big Five.

As of late, though, the major Canadian banks have been riding a strong bull run, but valuations are still very attractive.

Similar to Algonquin Power & Utilities, TD Bank provides its shareholders with market-beating growth potential, income, and stability. And once again, all at an affordable price.

The Canadian banks might not scream growth, but they've outpaced the returns of the market over the past decade. Over the past 10 years, TD Bank's share price growth has nearly doubled the returns of the broader market. That's not including TD Bank's near-4% dividend yield either.

At a forward P/E ratio of barely over 10, you won't find many better deals on the TSX than TD Bank. The company has been one of the most dependable Canadian stocks to own for decades and I don't see the banking industry going anywhere anytime soon.

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