3 Dirt Cheap TSX Stocks You Can Buy Right Now

Description

Down markets provide buying opportunities for enterprising investors. While the TSX has been on the rebound lately, there are still plenty of bargains to be had. Whether you like financials, airlines or banks, there are plenty of stocks on the TSX trading at less than 10 times earnings. And there's never been a better time to buy them than now.

In this article I'll be sharing three of them, starting with one financial stock that most haven't heard of–but has a long and storied history.

CI Financial Corp (TSX:CIX)

CI Financial is an investment management firm with deep roots in the financial sector. In the past, the company has been a partially-owned subsidiary of **Scotiabank** and **Sun Life Financial**. Today it's a diversified firm involved in asset management, wealth management and ETFs. In its most recent quarter, the company's assets under management (AUM) came in at $140 billion, which was 12% higher than the same quarter a year before. Net income grew at just 3%, but free cash flow grew at 6%, which many consider that a more accurate measure of profitability. CI also pays a dividend that's currently yielding about 1.9%.

Air Canada (TX:AC)(TSX:ACB)

Air Canada gets a lot of grief from customers, but the company has rewarded its investors handsomely over the past five years. Since January 2014, it has more than doubled in price, rising about 200%. Airlines are unpopular with some investors because of their razor-thin profit margins that can result in losses during times of unforeseen expenses.

And indeed that's been happening with Air Canada, as its earnings in Q3 came in at $645 million, down from $1.7 billion in the same quarter a year before. That's a steep decline, but the company's revenue is still growing. The big question is whether fuel costs can be brought under control enough to get those earnings growing again. But in the meantime, the stock has entered dirt cheap territory with a price just 7.5 times forward earnings.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM)

Last but not least, we have CIBC. This stock is not a favourite among the Canadian Big Five banks, but that may be undeserved. Although the company's revenue is growing at just 4% year over year, its U.S. commercial banking business grew at a whopping 178% in 2018. If the company can keep that growth up, it may become a major player in the U.S.–which could send bottom line growth higher.

This is similar to what's being seen with **TD Bank**, whose stock is a favourite owing to its growing U.S. retail business. CIBC's U.S. operations are actually growing faster than TD's, but are much less publicized. As a result, the stock trades at just nine times earnings–making it one of the cheapest financials on the TSX today.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:AC (Air Canada)
3. TSX:CIX (CI Financial)
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