Got $3,000? 3 Dirt-Cheap TSX Stocks to Buy Today

Description

The **S&P/TSX Composite Index** rose 284 points on September 9. There have been anxious murmurs from economists and analysts heading into the fall season. However, the momentum for the Canadian market is not yet up. Today, I want to look at three TSX stocks that have dropped into undervalued territory over the past week. Let’s jump in.

This healthcare TSX stock set off a buy signal

Knight Therapeutics (TSX:GUD) is a specialty pharmaceutical company that operates in Canada and around the globe. Shares of this TSX stock have dropped 11% month over month as of close on September 9. The stock is down 23% from the prior year.

In August, the company released its second-quarter 2020 results. Revenues and interest income soared from the prior year. On September 3, Knight announced the filing of the Supplement to a New Drug Submission (SNDS) of NERLYNX for HER2-Positive Metastatic Breast Cancer in Canada. Biotherapeutics is one of the most explosive sub-sectors in healthcare. Global Market Insights recently projected that the breast cancer therapeutics market would achieve a CAGR of 9.5% from 2019 to 2025.

The Relative Strength Index (RSI) is intended to chart the current and historical strength or weakness of a stock or market based on the closing price of the recent trading period. Shares of this TSX stock last had an RSI of 25. This puts Knight Therapeutics in technically oversold territory.

One REIT yielding 4.8% that is undervalued

Northview Apartment REIT (TSX:NVU.UN) is one of the largest multi-family REITs on the TSX. This TSX stock has climbed 17% in 2020 so far. Shares are up 21% year over year.

The REIT released its second-quarter 2020 results on August 13. Like its peers, Northview has battled historic challenges due to the COVID-19 pandemic. It did suffer a 30-basis point decline in overall occupancy, but it still managed to achieve an increase of 2.2% in multi-family same-door NOI. Northview also posted an increase of 375-basis points in average monthly rent. The REIT also collected 98.4% of total rental revenue for Q2 2020. That is a relief considering the uncertainty surrounding rent collection in the face of the pandemic.

Shares of Northview last had an RSI of 27, which puts the TSX stock in technically oversold territory. Moreover, it possesses a price-to-earnings ratio of 11. This undervalued stock last declared a monthly dividend of $0.1358 per share, which represents a solid 4.8% yield.

A TSX stock in the energy sector that looks cheap

Vermilion Energy is engaged in the acquisition, exploration, development, and optimization of petroleum and natural gas in North America, Europe, and Australia. The energy sector has been hit hard during the COVID-19 pandemic. Shares of Vermilion have plunged 54% so far this year.

In Q2 2020, the company was punished due to lower commodity prices. Fund flow from operations fell 52% year over year to $82 million, or $0.52 per share. Production in North America and Australia did increase from the prior year. Meanwhile, this TSX stock last closed with an RSI of 24. This puts Vermilion well into oversold territory.

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