



3 Absurdly UNDERVALUED TSX Stocks to Buy Right Now!

Description

Some **TSX** stocks just could not recover, despite the bullish sentiment in the broader markets. In a few cases, the pandemic will continue to hamper those in the long term, and the weakness is justified. However, in some cases, investors are way too apprehensive and overlook the fundamental strength.

Let's take a look at three such top TSX stocks.

Suncor Energy

After a shaky recovery, integrated energy giant **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock again trended lower recently. It has lost 10% so far this month and is trading close to its six-month lows.

The recent weakness in crude oil prices has weighed on energy stocks lately. However, I think investors are undervaluing Suncor Energy's potential. It has a presence at every node of the energy value chain, right from oil production to refining and to retail distribution.

Even if WTI crude oil fell to \$37 per barrel last week, Suncor Energy's breakeven point is well below that. Once travel restrictions ease and demand for crude oil normalized, energy companies like Suncor should see a notable boost in their financials.

Also, Suncor Energy's stable dividend profile is another plus for investors. Even after a 55% dividend cut in May 2020, it yields 4.6%, higher than TSX stocks at large. With its fair yield and a discounted valuation, Suncor Energy stock should particularly attract bargain hunters.

Rogers Communications

Top telecom stock **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) has also fallen close to its six-month lows recently and is trading at \$53.3. Weaker [quarterly earnings](#) further pushed the stock lower and anguished investors.

I think the stock is poised for a stable and surefire recovery in the post-pandemic world. It is well ahead in the 5G rollout race compared to peers. Also, its first-mover advantage in 5G should help boost its subscriber base in the next few quarters.

Besides, Rogers's strong market presence and financial strength will likely fuel a recovery that's faster than peers' recoveries. The stock pays a dividend yield of 3.7% and looks undervalued at the moment.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) stock is currently the top-yielding stock among peer Canadian bank stocks. Interestingly, it is also one of the undervalued bank stocks given the P/E (price-to-earnings) multiple. So, what should investors do?

I think Scotiabank stock might witness a relatively slower recovery considering its large exposure to Latin America — one of the worst-affected regions of the pandemic. Its lower third-quarter earnings also weighed on the stock. However, there is no reason the bank will see prolonged weakness.

Scotiabank's prudent provisioning and diversified earnings base will likely stabilize its financials in the next few quarters. Additionally, a faster-than-expected vaccine roll out should speed up the global economic recovery, which should uplift bank stocks, too! Scotiabank has seen such crises multiple times in the past and has only emerged stronger. Its long dividend-paying history of 187 consecutive years speaks for itself.

Scotiabank stock has soared almost 15% since its record lows in March, notably underperforming peer Canadian bank stocks. [If you are a long-term investor](#), you would probably be okay if the stock generates subdued returns for, say, the next six months. However, this pandemic chapter will just be like a bad dream after three or five years, and high-quality stocks like Scotiabank will mostly be sitting at record highs.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Sharewise

6. Yahoo CA

Category

1. Investing

Date

2025/08/18

Date Created

2020/09/15

Author

vinitkularni20

default watermark

default watermark