Value Investors: 3 Cheap TSX Stocks to Buy in October

Description

Due to the coronavirus pandemic and how it's affecting the economy, it's created several opportunities for investors. One of the biggest opportunities is the chance to buy **TSX** stocks at dirt-cheap prices.

When the market first crashed back in late February and March, basically, every stock was sold off. This created a significant opportunity for investors to buy some of the best TSX stocks at ultra-low prices.

However, at that point, the pandemic was still in its early stages, and a lot of companies lagged behind the market.

Now, as more companies and industries find ways to overcome the pandemic, additional opportunities continue to present themselves to investors.

Here are the top three TSX value stocks to buy today.

TSX entertainment stock

The first stock to consider is **Corus Entertainment** (TSX:CJR.B), the most distressed company on the list. The stock is down 50% from its 52-week high — trading at a forward price-to-earnings of just 4.3 times.

Corus sold off earlier this year, as investors worried that the company would be largely impacted from shutdowns. We've seen from its earnings reports that there was an initial drop off in sales; however, since then, a lot of advertisers have returned.

This time around, even if there are shutdowns again in the second wave, it's unlikely that so many advertisers will pull the plug on campaigns. And given that the worst of the impacts on Corus's business are more than likely behind us, and the company managed to keep the dividend intact, it's clear that the business is highly resilient.

At its current share price of $3, the company has a market cap of just over $600 million. Compare that to the more than $500 million in free cash flow it earned in the last two fiscal years; it's clear just how cheap a TSX stock Corus really is.

Midstream energy stock

Another top TSX stock you could consider is the midstream energy and utility company, **AltaGas** (TSX:ALA).

As of Tuesday's close, AltaGas was trading around $16.50, a more than 25% discount from its 52-week high. This offers investors incredible value, despite a strong recovery in the stock after the major selloff earlier in the year.

Part of the reason why it was sold off so heavily back then and remains discounted today is because it's an energy stock. Naturally, it's down for the year, as investors are concerned about energy demand through the pandemic. AltaGas does much more than just energy, though.

The TSX stock has resilient operations, especially underpinned by its utilities, and, at the last earnings release, management reiterated its 2020 guidance. It's this resiliency that makes AltaGas a top dividend stock. Plus, it has considerable value at these prices.

Despite its shares being discounted today, the biggest reason for an investment in AltaGas is its considerable long-term potential.

Its growth projects could be huge for the company long term. In the most recent quarter, the new RIPET facility again saw record volumes, which will continue to be a tailwind for the stock.

With its attractive income, cheap share price, and huge growth potential, AltaGas is one of the top triple-threat stocks on the TSX.

Core TSX stock

The last stock to consider buying today is **BCE** (TSX:BCE)(NYSE:BCE). BCE is a core TSX stock perfect for long-term investors to buy and forget about.

It has a generally resilient business; however, due to the pandemic's oddity, it has seen a significant impact on revenues.

Naturally, a company that was worried about its cash flow could cut some capital expenditures to match the loss of operating cash flow due to the pandemic. However, BCE is committed to its long-term investments.

This is incredibly attractive for long-term investors. First of all, the company is such a cash cow that it can fairly easily absorb the impact on its business. Second of all, its commitment to long-term growth ensures that BCE will be in a great position when we emerge from the pandemic.

Plus, these infrastructure investments are significant, as TSX telecom stocks get set for the rollout of

5G technology. At just over $55 a share, and with its dividend yielding more than 6%, BCE is priced attractively for long-term investors.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:BCE (BCE Inc.)
4. TSX:CJR.B (Corus Entertainment Inc.)

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