3 Cheap TSX Stocks to Buy Today

Description

Canadian stocks have continued to build momentum after the first month of 2021. Last year, I'd discussed why Canadians should not let their cash sit idle in a TFSA. Some investors may be unwilling to enter what looks like an overheated market right now. Today, I want to look at three cheap TSX stocks that are worth your attention. Let's dive in.

This TSX stock looks oversold today

Methanex (TSX:MX)(NASDAQ:MEOH) is a Vancouver-based company that produces and supplies methanol around the world. Its shares have plunged 27% in 2021 as of late-morning trading on February 1. The company released its fourth-quarter and full-year 2020 results on January 27.

Methanol prices surged from the third quarter to the fourth quarter in 2020. Revenue rose to $811 million — up from $581 million in the prior year. Adjusted EBITDA climbed to $136 million compared to $40 million in Q4 2019. The company will need these high prices to stick around to make up lost ground in the first three quarters of 2020.

Shares of Methanex last had an RSI of 28. That puts this methanol-focused company in technically oversold territory. Moreover, this cheap TSX stock offers a quarterly dividend of $0.037 per share. That represents a solid 4.7% yield.

One top dividend stock to buy at a discount

Great-West Lifeco (TSX:GWO) is a top financial services company engaged in the insurance, wealth management, and reinsurance businesses in North America and Europe. Its shares have dropped 9.7% year over year as of early afternoon trading on February 1. I'd suggested that investors should snag this cheap TSX stock before Christmas.

Investors can expect to see the company's fourth-quarter and full-year 2020 results on February 10. In Q3 2020, Great-West reported net earnings of $826 million. This was up from $730 million in the prior year. Net earnings per share came in at $0.89 — up from $0.79 in Q3 2019. Assets under administration at Great-West rose 2% from December 31, 2019, to $1.7 trillion at the end of the third quarter.

Great-West stock last possessed a favourable price-to-earnings (P/E) ratio of 10 and a price-to-book (P/B) value of 1.3. Moreover, this cheap TSX stock offers a quarterly dividend of $0.438 per share. That represents a strong 5.9% yield.

A top TSX stock that is still dirt cheap

The last cheap TSX stock I want to zero in on today is **Manulife Financial** (TSX:MFC)(NYSE:MFC). This top insurance and financial services company has its eyes set on expansion in Asia. The middle class is growing and thriving, especially in China, which has caught the attention of global insurers and asset managers. Shares of Manulife have dropped 6% year over year at the time of this writing.

Manulife is set to release its final batch of 2020 results in the first half of this month. In Q3 2020, the company reported net income of $2.1 billion — up from $1.3 billion in the third quarter of 2019. Canada new business value rose to $67 million over $51 million in the previous year. China has bounced back nicely from the COVID-19 pandemic. Manulife's Asia-based business should see improvement in the quarters to come.

Shares of Manulife last had an attractive P/E ratio of 8.8 and a P/B value of 0.9. This cheap TSX stock offers a quarterly dividend of $0.28 per share, representing a 4.7% yield.

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2. NYSE:MFC (Manulife Financial Corporation)
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