3 Cheap Stocks to Buy on the TSX Today

Description

One of the easiest ways to make passive income is through investing. With a Tax-Free Savings Account (TFSA), you can make tax-free income for the rest of your life, even by just investing in a few stocks one time. Cheap stocks are even better. These stocks build wealth when held for not just years, but decades. That way, you don't need a lot of cash to get started but can see immense returns down the line. So, here are three cheap stocks based on solid valuations that you can buy on the **TSX** today and hold for years to come.

Energy stocks on the TSX today

Energy stocks in general continue to be a solid investment. The oil and gas rebound currently underway is the perfect opportunity to pick up energy stocks like **Enbridge** (TSX:ENB)(NYSE:ENB) on the TSX today to see massive growth when revenue comes in. Enbridge stock has long-term contracts that helped revenue remain stable, but its growth projects mean it will see even more revenue down the line.

I believe shares in Enbridge stock will continue climbing throughout the end of the year. That makes its valuations on the TSX today a bargain at 1.7 times book value and 15 price to earnings. Enbridge stock has a stable future ahead of it, supporting its dividend growth along the way. Investors today can lock in a 7% dividend yield, with shares climbing 14% in the last year alone.

Bank on banks

One of the best places to put your money on the TSX today is through the Big Six banks. These banks rebounded both during the Great Recession and the COVID-19 crash within one year. That goes for **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD), which currently trades above pre-pandemic levels.

As the world recovers from the pandemic, consumers are going to want to spend. In fact, they're already putting their money where it counts: debt. There have been massive loan repayments that TD stock has taken advantage of. Furthermore, TD stock will then take advantage of the growth in consumption that should come after the pandemic ends. Revenue has already started to climb, with shares growing 69% in the last year alone. You can also lock in a dividend yield of 3.6% today for TD stock, with valuations at a bargain of 1.8 times book value.

Flying high

Economists already predict there will actually be a shortage in flights, as more and more people become fully vaccinated. That's likely to be the case, as **Air Canada** (TSX:AC) and other airlines have announced the companies will keep flights grounded until they can be sure of full passenger loads. This shortage means there will a heavy demand in air travel, especially as consumers look to spend money on a top priority: travel.

Air Canada stock is likely to take off in the next year or so, as the company gets back on its feet and pays down debt. It secured a number of cost-savings measures before the pandemic and continued this trend to save money during the pandemic. Air Canada stock still trades at half its pre-pandemic value, but that's likely to change as more and more flights get back in the air. I predict that a year from now, the company will be practically 100% in service once more. When that happens, you'll be glad you bought shares of Air Canada stock on the TSX today.

CATEGORY

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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AC (Air Canada)
4. TSX:ENB (Enbridge Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

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