ALERT: 3 Dirt-Cheap Stocks to Buy Now

Description

The **S&P/TSX Composite Index** was up 64 points in early afternoon trading on June 4. The TSX recouped its sharp losses from the early 2020 market pullback by February of this year. Some experts and analysts have started to warn investors about an overheated market. Today, I want to look at three cheap stocks that just sent off buy signals. Let's jump in.

Is a surging Canadian dollar bad or good news for this company?

The Canadian dollar has gained strength against its U.S. counterpart in 2021. In late 2019, I'd discussed the dollar and how it could potentially impact **Stella-Jones** (TSX:SJ). The company ships a significant portion of its pressure-treated wood products south of the border. This means that a soft Canadian dollar has boosted business in years past.

Shares of Stella-Jones have dropped 10% month over month at the time of this writing. However, this cheap stock is still up 33% from the prior year. In Q1 2021, the company reported sales growth of 23% to a record $623 million. This was largely due to record pricing in the lumber category. Net income doubled and hit $56 million or $0.85 per share.

This cheap stock last had a favourable price-to-earnings (P/E) ratio of 13. Moreover, it possesses an RSI of 35 at the time of this writing. It fell into oversold territory in late May and is still worth snatching up right now.

One cheap stock to consider in early June

Winpak (TSX:WPK) is a Winnipeg-based company that manufactures and distributes packaging materials and related packaging machines in North America and around the world. The stock has dropped 6.5% in 2021. Shares are down 5.5% from the prior year.

It released its first-quarter 2021 earnings on April 22. Total revenue rose to $224 million compared to $215 million in the previous year. Net income came in at $25.2 million — up from $23.5 million in Q1 2020. The company benefited from higher sales volumes in the quarter. In its report, Winpak said that sales volumes were hit only marginally by the COVID-19 pandemic.

This is another cheap stock with a solid P/E ratio of 20. It possesses an RSI of 32, just outside oversold levels.

Here’s another cheap stock to watch today

TransAlta (TSX:TA)(NYSE:TAC) is the last cheap stock I want to zero-in on today. The Calgary-based company owns, operates, and develops a fleet of electrical power-generation assets in Canada, the United States, and Australia. Shares of TransAlta have dropped 4% over the past month. However, the stock is still up 16% in the year-to-date period.

The company delivered a strong first quarter in 2021. Comparable EBITDA surged 41% year over year to $310 million. Meanwhile, free cash flow jumped to $129 million or $0.48 per share over $109 million or $0.39 per share. Funds from operations (FFO) were reported at $211 million — up from $172 million in the first quarter of 2020.

TransAlta dipped into oversold territory in late May. It is still worth picking up this cheap stock in a reliable space.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TAC (TransAlta Corporation)
2. TSX:SJ (Stella-Jones Inc.)
3. TSX:TA (TransAlta Corporation)
4. TSX:WPK (Winpak Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/07/26
Date Created
2021/06/04
Author
aocallaghan