3 Dirt-Cheap TSX Stocks to Buy in July

Description

As the first half of 2021 comes to an end, investors should be happy with the ongoing rally in the equity markets. The **S&P/TSX 60 Composite Index** is up 17% year to date, outpacing the S&P 500, which has returned 14.4% in 2021. Fortunately, there are still a few discount buys on the TSX for investors looking for a bargain. We'll look at three dirt-cheap TSX stocks that are attractive to value investors.

Auto Canada

One of the top-performing stocks on the TSX in the last year has been **AutoCanada** (TSX:ACQ). Shares of AutoCanada have gained 343% in the last year but continue to trade at depressed valuations.

The company operates franchised automobile dealerships in Canada and the United States. It offers a range of automotive products that include new and used vehicles as well as spare parts. AutoCanada also provides services such as vehicle leasing, maintenance, and repair services. Further, it arranges financing and insurance for vehicle purchases via third-party financial providers.

Analysts tracking the stock expect AutoCanada to increase sales by 27% year over year to $4.23 billion in 2021 and by 5.2% to $4.45 billion in 2022. Its bottom line is forecast to improve from a loss of $0.27 per share in 2020 to earnings of $3.18 in 2022. Bay Street expects EPS to rise at an annual rate of 25% in the next five years.

Compared to its growth rates, ACQ stock is trading at a price-to-2021-sales multiple of 0.3 and a price-to-earnings multiple of 16.4, which is really cheap.

Jamieson Wellness

A quality growth stock that has underperformed the TSX in the last year is **Jamieson Wellness** (TSX:JWEL). Valued at a market cap of $1.35 billion, Jamieson develops, manufactures, distributes,and sells natural health products in Canada and other international markets.

In the last year, JWEL stock is down 0.2%, and it's trading 20% below record highs, giving investors an opportunity to buy the dip.

In the first quarter of 2021, Jamieson Wellness sales rose 16% year over year to $98.3 million, while adjusted EBITDA moved higher by 11% to $18.5 million. Its international branded business increased sales by 55% year over year and has been a key revenue driver in the past year.

The company forecasts sales between $421 million and $438 million in fiscal 2021. Comparatively, its earnings might rise from $1.16 in 2020 to $1.45 in 2022. Analysts expect Jamieson Wellness stock to touch $43.3 in the next 12 months, which is 30% higher than its current trading price.

Kinross Gold

The final stock on my list is mining company **Kinross Gold**, which is engaged in the acquisition, exploration, and development of gold properties in the U.S., Russia, and South American regions. Traditionally, gold has been viewed as a hedge against inflation, making Kinross a solid pick in the current environment.

The stock is trading at a forward price-to-2022-earnings multiple of 7.3, which is really attractive especially if you consider a dividend yield of 1.9%.

Wall Street has a 12-month average price target of US$10 for Kinross stock, which is 57% higher than its current trading price.

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1. TSX:ACQ (AutoCanada Inc.)
2. TSX:JWEL (Jamieson Wellness Inc.)

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