



2 Dirt-Cheap TSX Stocks I'd Buy Today

Description

The **TSX Index** may be flying high, but there are still plenty of [bargains](#) for self-guided investors willing to pick their spots strategically. Even if we are overdue for a correction of 5%, 10%, or even 20%, I think there are plenty of dirt-cheap TSX stocks that could rally in the face of a pullback. You see, not all names have participated in the recent rally evenly. Some, like the top energy and financials, have blasted off over the past six months. Others have lagged, and a handful have even dragged.

In this piece, we'll have a closer look at two TSX stocks that have dragged, but could be ready to make up for lost time, as the second half of 2021 has now officially begun!

Without further ado, let's get right into the names.

Fire & Flower Holdings

Fire & Flower ([TSX:FAF](#)) is an up-and-coming cannabis retailer that's firing on all cylinders. The company has a top-notch store that makes most of the "experiential" factor and a robust digital presence that's quickly outpacing its peers. While cannabis retail may not be as attractive as the licensed producers (LPs) themselves, I think it's a mistake to count them out, especially if you're looking for a less-volatile way to place the budding industry (please, forgive the pun!).

Alimentation Couche-Tard, a renowned global convenience store retailer, has given Fire & Flower a huge vote of confidence, not only with its co-location pilot project in Alberta, but with a hefty (and growing) investment. In prior pieces, I've highlighted the likelihood that Couche-Tard would start with dipping a toe into the cannabis waters followed by a slow and steady immersion that would ultimately see Couche-Tard acquire Fire & Flower outright at some point down the road.

Undoubtedly, the Couche-Flower partnership has shown signs of success amid the pandemic. And I believe the pilot could be the start of something far more material for both Fire & Flower and Couche-Tard stock. Just over a week ago, Couche-Tard exercised more warrants to acquire more than 10 million worth of FAF shares. The news largely went unnoticed.

Given Couche-Tard's managers don't make such moves, unless there's value to be unlocked, I think the recent warrant exercises are a sign that FAF stock is deeply undervalued relative to its promising growth prospects. At \$1 per share and 2.4 times sales, the price of admission is low to one of the more promising cannabis retailers on the TSX.

Barrick Gold

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) is my favourite gold miner, and for good reason. The company is incredibly well run under the stewardship of its CEO Mark Bristow and is in a great spot to grow its dividend at a good rate moving forward, as gold prices remain at or around the US\$1,800 mark.

Undoubtedly, the demand for gold has waned in recent weeks, thanks in part to the cryptocurrency mania. Some folks view Bitcoin and the like not as just a means to speculate, but as a suitable alternative to precious metals like gold. In prior pieces, I was strongly against replacing one's gold exposure with Bitcoin or any other cryptocurrency, despite any similarities in how the two alternative assets trade relative to the broader equity markets.

Given the risk of runaway inflation, I think it's only prudent to load up on a gold miner like Barrick in its moment of weakness. I find it highly unlikely that cryptocurrencies will knock gold — a proven store of value — off the podium. Should gold prices pick up traction again into year's end, I'd also look for Barrick to sweeten the pot with its already bountiful 1.7%-yielding dividend.

Plain and simple, Barrick is one of the most [productive](#) ways to play an unproductive alternative asset. With the price of admission so low, now looks to be a magnificent time to back up the truck on the dirt-cheap TSX stock.

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TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:FAF (Fire & Flower)

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