3 Cheap TSX Stocks to Buy Today for the Long Term

Description

Many **TSX** stocks across industries and sectors didn't see much appreciation in the first half of 2021, despite their strong long-term fundamentals. That's one reason why many stocks look cheap right now — especially from the worst-affected sectors by the pandemic. The recovering global economy and rising vaccination rate could help these stocks rally in the coming quarters.

Here's a list of three such stocks that long-term investors can buy today to get a handsome return on their investment.

Metro stock

Metro (TSX:MRU) is a Montreal-based retail and distribution firm with its main focus on the food and pharmaceutical industries. It runs hundreds of supermarkets, discount stores, and drugstores in Canada under several brand names like Metro, Metro Plus, Super C, Food Basics, Metro Pharmacy, and Food Basics Pharmacy.

Despite facing COVID-19-related challenges last year, Metro's total sales rose by 7.3% YoY (year over year) in its fiscal year ended in September 2020. A sudden spike in groceries demand helped it post strong sales growth. With this, the company registered a solid 15.1% YoY gains in its adjusted earnings in the last fiscal year.

While Metro's YoY sales growth rate for its food segment is expected to decline in the ongoing fiscal year, its pharmaceutical segment sales growth is likely to remain strong. Overall, its expanding margins and continued positive earnings growth could help its stock soar in the coming quarters.

Waste Connections stock

Waste Connections (TSX:WCN)(NYSE:WCN) is a Canadian waste management company with a market cap of about $40 billion. It provides integrated solid waste services, including waste collection, disposal, recycling, and renewable fuels generation from waste. The company is consistently

expanding its operating territory and currently serves customers in six provinces in its home country and 43 states in the United States.

The COVID-19-driven shutdowns and restrictions slowed Waste Connections's overall business growth in 2020. Nonetheless, the rising solid waste volumes and increased resource recovery values could help its business recover sooner than earlier expected. These factors are likely to drive strong positive growth in its revenue and profits this year.

Waste Connections stock is currently trading at $151.63 per share with about 16.2% year-to-date gains.

Alimentation Couche-Tard stock

Alimentation Couche-Tard (TSX:ATD.B)(TSX:ATD.A) could be another good TSX stock to buy for long-term investors right now. Its stock is currently trading at $46.57 per share, with only 7.4% gains this year.

It's a fuel retail and convenience stores operator with a big network of about 14,200 stores across 26 countries and territories. While Alimentation Couche-Tard has its headquarters in Canada, it makes most of its profits from the U.S. market. Nearly 70% of its total revenue in 2020 came from the U.S. market. The remaining 18% and 12% of its sales were from Europe and Canada, respectively.

In the last few quarters, the traffic in Alimentation Couche-Tard stores has remained soft. The pandemic-related restrictive measures and rising work-from-home culture badly affected its traffic and overall sales in the last few quarters. Nonetheless, the company's long-term sales growth outlook remains strong amid reopening economies and rising vaccination ratios. That's why long-term investors may want to buy Alimentation Couche-Tard stock before it starts rallying again with the help of its improving future growth outlook.

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1. Investing
2. Stocks for Beginners

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1. NYSE:WCN (Waste Connections)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:MRU (Metro Inc.)
4. TSX:WCN (Waste Connections)

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