3 UNDERVALUED TSX Stocks to Buy Right Now

Description

Are you having a hard time looking for worthy buys in this frothy market? Here are three undervalued **TSX** stocks to buy for long-term investors.

Intact Financial Corporation

Intact Financial (TSX:IFC) is another under-the-radar name that deserves more attention. It's a $26 billion property and casualty insurance leader in Canada with a market share of 17%. The company aims to grow its earnings by 10% and beat industry ROE by at least 500 basis points every year.

It has managed that quite well over the years. Since 2016, its net income has grown by 22% compound annual growth rate (CAGR). Notably, Intact Financial has increased its dividends for the last 16 consecutive years. The stock has returned 110% in the last five years, including dividends.

Industry profitability significantly improved in the recent quarter compared to the last 12 months due to lower catastrophe losses. Intact expects this market strength to continue.

Interestingly, IFC stock is trading at its all-time highs and still sports a discounted valuation. It is trading at 13 times its next year's earnings, which brings an excellent opportunity for long-term investors. Intact is one of the top undervalued stocks on the TSX with its decent earnings growth and stable dividends.

goeasy

Canada's consumer lender **goeasy** (TSX:GSY) is another top TSX stock that's trading at record highs and still dons an appealing valuation. It is trading at a price-to-earnings valuation of 12 times at the moment. That represents a deep discount against the industry average.

Importantly, the company has managed to increase its net income by 49% CAGR in the last five years. In addition, it pays consistently growing dividends and offers strong total return growth prospects.

As well, goeasy withdrew its upbeat guidance in the last quarter. However, it will issue a new one in its upcoming results on August 6. This will incorporate the contribution of its latest acquisition LendCare. Also, the new guidance will likely be more encouraging than the earlier one because of the increasing demand and improving economy.

GSY stock is up almost 75% this year. It could continue to reward shareholders with its discounted valuation, growing market, and superior earnings growth.

B2Gold

A mid-sized Canadian gold miner stock **B2Gold** (TSX:BTO)(NYSEMKT:BTG) has been trading weak, losing more than 20% since April. That's mainly because of its subdued quarterly performance in Q1 2021. However, its Q2 numbers, which will be out next week, are expected to improve relatively and might boost its stock.

B2Gold expects 5% higher production than projected for the quarter, on track to meet its annual production of approximately 1 million ounces. Although yellow metal prices have been relatively lower than last year's epic run, they have recently soared to respectable levels to $1,820 per ounce. This might help improve miner's free cash flows in the subsequent quarters.

B2Gold is a low-cost senior gold producer with high-quality mines in Mali, Namibia, and the Philippines. Its net income has grown by 75% CAGR since 2016.

BTO stock is currently trading at seven times its historical earnings. That's way cheaper compared to the industry standards. Also, it gives a significant runway for BTO stock if gold prices rally from their current levels. Even if its earnings growth slows, the valuation multiple is way discounted and indicates solid growth potential.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:IFC (Intact Financial Corporation)

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Author
vinitkularni20