3 CHEAP TSX Stocks to Buy Today

Description

North American markets have hit a shaky patch in the summer. The **S&P/TSX Composite Index** and its peers in the United States are still hovering around all-time highs. However, there is underlying anxiety surrounding the rise of the Delta variant. Investors have the right to remain optimistic, especially as Canada has thrust itself into a global leadership position with its vaccine rollout. Today, I want to look at three undervalued TSX stocks that are worth buying right now.

Investors should buy-the-dip in this top TSX stock

Real Matters (TSX:REAL) is an Ontario-based company that provides technology and network management solutions to mortgage lending and insurance industries in Canada and the United States. This TSX stock was my top pick for this month. Its shares have plunged 29% month over month as of close on August 4.

The company has thrived during the real estate boom that has persisted in Canada and been given new legs in the United States during the pandemic. Growth has slowed in the summer, but prices and sales remain historically strong. In Q3 FY2021, Real Matters saw consolidated revenues increase 9.6% year over year to $129 million. Meanwhile, it launched a total of five new lenders in U.S. Title and U.S. Appraisal.

This TSX stock last had a favourable price-to-earnings (P/E) ratio of 23. Moreover, it currently possesses an RSI of 11. That puts Real Matters deep in technically oversold territory.

Why Magna is primed for growth in the future

Magna International (TSX:MG)(NYSE:MGA) is the largest auto parts manufacturer in North America. Its outsized impact in the automobile sector should make investors take notice after the stock has dipped in recent weeks. Shares of this TSX stock are down 9.4% month over month as of close on August 4. However, the stock is still up 59% year over year.

In Q1 2021, Magna reported sales growth of 18% to $10.2 billion. Global light vehicle production climbed 18%, powered by 87% growth in China. Better yet, Magna has intensified its push into the electric vehicle space. It announced a partnership with LG in late 2020. The company boosted its 2021 outlook, expecting higher sales and improved adjusted EBIT margins.

Shares of this TSX stock last had a P/E ratio of 22. That puts Magna in attractive territory relative to its industry peers. Moreover, it possesses an RSI of 38. This TSX stock is just outside of oversold levels. It is worth adding to your portfolio for the long haul.

One more undervalued TSX stock to snatch up today

IAMGold (TSX:IMG)(NYSE:IAG) is the last undervalued TSX stock I want to look at in this article. In February, I'd discussed why gold and gold-linked stocks appeared to be discounted. These bullish conditions have grown stronger in the months since. High inflation and economic uncertainty could underpin gold prices going forward.

Shares of this TSX stock have dropped 33% in the year-to-date period. The stock has plunged 51% year over year. IAMGold delivered gross profit of $44.2 million in Q1 2021 — up from $31.9 million in the first quarter of 2020. Meanwhile, net cash from operating activities more than doubled in the year-over-year period.

This gold-focused TSX stock boasts an attractive P/E ratio of 13. Moreover, just rebounded from oversold levels that it dropped to in late July. It is not too late to snatch up this promising TSX stock on the dip.

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