



Got \$1,000? 4 Cheap TSX Stocks to Buy Today!

Description

After a brief dip last week, the **S&P/TSX Composite** continues its trend higher. Many TSX stocks are hitting new all-time highs. Despite many things to worry about (the Delta variant and a fourth wave, monetary policy, geopolitical issues, etc.), the market seems pretty resilient in 2021.

Fortunately, in any market, there are always opportunities that look attractive. Here are four cheap TSX [value stocks](#) I would consider buying if I had \$1,000 today.

A top transportation stock on the TSX

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) has been battered in 2021. Its stock is down 2.6% year to date. It seems the company's fortunes are based on the day-to-day news regarding its acquisition proposal of **Kansas City Southern**. For short-term investors, this is a trial. However, for long-term buyers, this is a great opportunity to buy a great foundational company.

Railroads play an important part in the North American economy. Their infrastructure and services are simply irreplaceable. Consequently, when railroads trade below their historic valuation, they tend to be good buys.

If its merger with KSU is approved, the company will have the only North America-wide rail network. That is a massive competitive edge that could accrete long-term earnings growth. If it doesn't get approved, the stock is trading below the cost of its merger break-fee. As a result, investors are still getting a good bargain today.

A growing fuel retailer

Parkland ([TSX:PKI](#)) is fast becoming a leading fuel distributor and convenience store operator in North America. Year to date, this TSX stock is down 6.8%. The stock trades with a very reasonable price-to-forward earnings ratio of 14.5. Despite a choppy performance in 2021, this stock has delivered an average annual total return of 18% since 2011.

This TSX stock just had a strong second quarter. It boosted its adjusted EBITDA guidance by 5% for 2021. Over the next four years, Parkland is hoping to nearly double adjusted EBITDA. It is focusing on re-fitting its convenience stores, expanding its low-carbon fuel options (EV, biodiesel, renewable fuels), and unlocking synergies from acquisitions. The stock pays a 3% [dividend](#), and it looks attractive today.

A top TSX infrastructure stock

If you are looking for a more elevated dividend yield, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) stock looks interesting. Today, at 6.8%, it pays one of the highest dividend yields on the TSX. When oil pulled back last week, this stock also pulled back. Yet there are reasons to be optimistic about Enbridge.

Firstly, the company reported better-than-expected results in its most recent second quarter. That was supported by strong volumes reported on its mainline. Secondly, the company is close to completing its much-debated [Line 3 pipeline project](#). That will add 390,000 barrels per day of transportation capacity. That should meaningfully boost cash flows into 2022 and beyond.

A top lumber stock

If you want a really cheap TSX stock, **West Fraser Timber** ([TSX:WFG](#)) trades with a price-to-earnings (P/E) ratio of two times and a forward P/E of only eight times! This company has benefited from very strong lumber pricing in the first half of this year. In the second quarter, it harvested \$2.1 billion in adjusted EBITDA. That's an increase of over 100% from last year!

Its cash balance vastly improved this year and the company sits with \$3.4 billion of liquidity. This company just bought back \$1 billion worth of stock and reduced its share count by over 8%. Certainly, lumber and OSB prices have normalized. Yet strong new housing and construction demand should help this TSX stock deliver great capital returns as the pandemic declines.

CATEGORY

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TICKERS GLOBAL

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5. TSX:PKI (Parkland Fuel Corporation)
6. TSX:WFG (West Fraser Timber Co. Ltd.)

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