The 3 Best TSX Stocks to Buy While They Are Still Cheap

Description

The **S&P/TSX Composite Index** shed 83 points on August 26. North American markets have been rattled by news of the rising Delta variant that threatens to torpedo the ongoing economic rebound. This is a situation every investor should be monitoring. However, today, I want to look at three TSX stocks that look discounted, as we move into the month of September. Let's dive in.

Here's why I'm looking to buy this cannabis stock on the dip

Back in July, I'd looked at two of the top cannabis stocks available on the TSX. **Canopy Growth** (TSX:WEED)(NYSE:CGC) remains a heavyweight producer. However, it has seen competition heat up significantly since recreational cannabis was legalized in 2018. Its shares have dropped 35% in 2021 as of close on August 26. The TSX stock has been roughly flat in the year-over-year period.

Canopy Growth anticipates that it will achieve positive adjusted EBITDA by the second half of fiscal 2022. This is great news for a company that also has a leg-up on its domestic competition when it comes to penetrating the mouth-watering U.S. cannabis market. Unfortunately, federal legalization down south still appears to be years away.

Shares of this TSX stock last had an RSI of 35. That puts Canopy Growth just outside technically oversold territory. I'm looking to add this discounted cannabis stock today.

This TSX stock is discounted and offers a super dividend

Keyera (TSX:KEY) is a TSX stock that offers value beyond its potential capital growth. This company is engaged in the energy infrastructure business. The energy sector was one of the few bright spots in yesterday's trading session. Shares of Keyera are up 33% in the year-to-date period. However, the stock is down 8% month over month.

In Q2 2021, the company delivered adjusted EBITDA of $224 million compared to $182 million in the second quarter of 2020. Meanwhile, net earnings were reported at $79 million — up from $18 million in the previous year. The energy sector has stormed back to prominence in 2021 on the back of a rebound in overall demand.

This TSX stock slipped into technically oversold territory late last week. It is not too late to jump on its recent dip. Moreover, it offers a monthly dividend of $0.16 per share. That represents a tasty 6.3% yield.

One more cheap TSX stock to buy today

In March, I drew attention to rising inflation in North America. That trend has accelerated into the summer, with both Canada and the U.S. posting inflation numbers not seen in over a decade. In this environment, commodities are a solid target. **Lundin Mining** (TSX:LUN) is a diversified base metals company that can thrive in this climate.

Shares of this TSX stock have dropped 14% in 2021. The stock is still up 28% in the year-over-year period. Revenue for the first six months of 2021 was reported at $1.55 billion — up from $911 million for the same period in 2020. Meanwhile, adjusted EBITDA has more than doubled to $835 million. This is largely on the back of higher prices for base and precious metals.

Lundin is a TSX stock that possesses an attractive price-to-earnings ratio of 9.6. It last had an RSI of 38, putting it just outside technically oversold levels. Moreover, it boasts a quarterly dividend of $0.09 per share, representing a 3.5% yield.

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2. TSX:KEY (Keyera Corp.)
3. TSX:LUN (Lundin Mining Corporation)
4. TSX:WEED (Canopy Growth)

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1. Editor's Choice

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