3 Cheap Stocks Just Upgraded by Analysts

Description

The **TSX** today continues to reach past all-time highs, with August ending on a huge boom. What's more, there are many analysts that believe further growth is ahead! Despite the Delta variant and other COVID-19 strains causing restrictions, businesses are learning to make do. In fact, there are several that have seen stable revenue increase during the past few months. Analysts recently upgraded some of these cheap stocks, allowing for a strong opportunity to jump in before they soar.

So today I'm going to cover three options for Motley Fool investors to buy after these cheap stocks received an upgrade.

Tourmaline

A major announcement came out for **Tourmaline Oil** (TSX:TOU) on Aug. 30. Management announced it would sell seven million shares of **Topaz Energy** for $108.15 million in a newly bought deal. When the deal closes on September 21, 2021, Tourmaline management plans to use the cash to reduce its position in Topaz. This is part of its long-term plan to move away from Topaz and reduce debt thereby increasing shareholder returns.

Analysts applauded the strategic move and the further announcement that a special dividend may be on the way, on top of the 1.95% dividend yield it holds today. The strengthening balance sheet, special dividend, and share price for cheap stocks like this are all solid reasons to give it an upgrade.

Analysts recently upgraded the stock to "strong buy." Shares are up 96% year to date, yet trade at a P/E ratio of just 7.5! With analysts believing an average potential upside of 44% is on the way, it's a great time to get in on cheap stocks like this one.

Canadian Western Bank

The quarterly earnings of the Big Six Banks weren't the only ones that impressed analysts recently. Several upgrades came after receiving strong earnings for **Canadian Western Bank** (TSX:CWB). In fact, they tout it as having far more attractive valuations compared to the Big Six Banks. And it's still one of the cheap stocks Motley Fool investors will want to consider.

The bank outperformed when it came to loan growth and net interest income, and not only do analysts believe it will meet the 20% earnings per share (EPS) growth for fiscal 2021, but they believe it's also on track to reach 25% EPS growth in fiscal 2022. This comes from higher fee income, net interest income, loans, and innovations in digital banking.

The earnings report led analysts to increase the target share price yet again. Now there is a potential upside as of writing of about 12%. Yet this is still one of the cheap stocks to buy at a P/E ratio of 10.66! And you get a dividend yield of 3.21% to boot. Shares are also up 31% year to date.

H&R REIT

Finally, it's a great time to get into real estate, according to analysts. However, it really does depend on where you buy. Analysts today believe Motley Fool investors should consider **H&R REIT** (TSX:HR.UN) to be one of those options on the TSX today. The REIT is a prime recovery play, with exposure to retail, apartments, offices, and industrials.

Most of the impact on revenue over the past while can almost entirely be blamed on COVID-19. But besides shopping malls and enclosed spaces, H&R is set to rebound during this time. Long-term leases and redevelopment absolutely account for protection, according to analysts. While the average upside remains around 15%, analysts have been upgrading the stock, giving it a higher potential upside of around 20%!

Shares are already up 27% year to date, but it remains one of the cheap stocks to buy with a P/E ratio of 7.7. Plus you can grab onto a 4.2% dividend yield to boot!

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. TSX:CWB (Canadian Western Bank)
2. TSX:HR.UN (H&R Real Estate Investment Trust)
3. TSX:TOU (Tourmaline Oil Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolfe
2. arosenberg

Category

1. Investing
2. Top TSX Stocks

Date
2025/07/05
Date Created
2021/09/01
Author
alegatewolfe