



3 Cheap Stocks to Jump on During Today's Market Correction

Description

Motley Fool investors have likely been on edge due to the market correction on the **TSX** today. For the last few months, shares have climbed higher and higher. And then suddenly, they stopped. Also, there was a pretty major drop on the TSX. But perhaps that means there are some cheap stocks that really shouldn't be so cheap.

What happened

After reaching all-time highs in early September, the **S&P/TSX Composite Index** is now down about 590 points as of writing. But on Monday, half of that drop came in with the composite falling by 251 points, sending many investors into panic mode.

While the drop is surely a cause for concern on the global markets, long-term investors need to *stay calm*. In fact, don't even look at the TSX today. That's right. If you're just going to stare at it and worry and then sell stocks based on fear, it's better you stay away.

Now granted, there are a number of reasons that the TSX today is down. Inflation, rebound risks, the variant, and a Chinese real estate company and its effects on the United States markets. But if you're a regular investor, this shouldn't be a time to panic. You should see the market correction as an opportunity to find cheap stocks.

Where to look

Some of the top companies in the world are likely to fall during a market correction. Companies that Motley Fool investors have been eyeing for the better part of a year, thinking they couldn't afford it may be able to now. A market correction usually means top stocks are the first to be sold off. These stocks have seen astronomical highs, so it only makes sense that when the market goes into panic mode, investors want to take out their returns.

In that case, the tech sector, energy industry, and electric vehicle companies have all been doing well

during the last year. So these are likely the first ones to go. However, that also means there is a significant opportunity to find some cheap stocks in these booming industries.

Three to consider

So let's look at each of these areas to find some cheap stocks to consider. First, I would consider **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)). Lightspeed stock has been on a tear in the last year, becoming a booming e-commerce company during the pandemic. It's acquired business after business to become a powerhouse, aiming to be the go-to e-commerce company around the world.

Yet now it may be considered one of the cheap stocks to buy. Granted, its fundamentals are still high. However, given Lightspeed stock and its future outlook, the market correction provides a solid jumping-in point. [Shares are up](#) 300% in the last year but dropped about 3% during the market correction. Sure, it's not much, but it's better to get in now before Lightspeed stock continues to soar even higher.

Another stock I would then consider is **Keyera** ([TSX:KEY](#)). Keyera stock is down a similar 2% due to the market correction, with the oil market falling during the market situation on the TSX today. However, if you're a long-term Motley Fool investor, then it's a great time to jump on one of the best cheap stocks to offer high dividends. Keyera stock has a 5.8% [dividend yield](#) as of writing that you can now lock in and take advantage of the oil and gas rebound once the market correction corrects itself yet again.

Finally, I would then consider **NFI Group** ([TSX:NFI](#)) to be an absolute steal during today's market correction. The recent drop comes from the supply chain demands that have reduced the ability of the company to get new vehicles out the door. This has cut the company's annual guidance for 2021. So shares are down almost 17% on the TSX today alone!

So this by far is the best deal for investors to sink their teeth into. If you're a long-term investor looking for cheap stocks, this is where I would look. The company's short-term headwinds could make for strong long-term gains.

While it may be more of a wait than the other two, this is one of the cheap stocks that could feed your portfolio for decades.

CATEGORY

1. Investing
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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:KEY (Keyera Corp.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:NFI (NFI Group)

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