Market Correction: 3 Cheap TSX Stocks to Buy Now

Description

The **S&P/TSX Composite Index** plunged 335 points to open the week on September 20. Canadian markets fell victim to broader volatility that also hit top indexes in the United States. Previous pullbacks have illustrated how important it is for investors to jump on these opportunities. Inflation just rose above 4% for the month of August in Canada. Canadian investors need to put their cash to work. Today, I want to look at three cheap TSX stocks that are worth adding in this market correction. Let's jump in.

This top REIT looks undervalued in late September

Real estate investment trusts (REITs) have proven to be a reliable source of income and growth since the start of the COVID-19 pandemic. Indeed, real estate has enjoyed a spike in activity, as demand has soared during the crisis. **Cominar REIT** (TSX:CUF.UN) is a REIT that manages a portfolio consisting of office, retail, and industrial properties. Its shares dropped 2.68% on September 20. The stock has fallen 7.1% month over month.

The REIT unveiled its second-quarter 2021 results on August 5. Funds from operations (FFO) per unit came in at $0.25 — up from $0.19 in the second quarter of 2020. Meanwhile, it posted NOI growth of 15.1%. Moreover, its rent-collection rate improved to 96.3% in the quarter.

This cheap TSX stock last paid out a monthly dividend of $0.03 per share, which represents a 3.5% yield. Cominar REIT possesses an RSI of 29, which puts it in technically oversold territory. Now is the time to jump on this oversold TSX stock.

A cheap TSX stock that is also a solid defensive play

Saputo (TSX:SAP) is one of the largest dairy processors in the world. It is also a very solid defensive option for Canadian investors to consider in this shaky market. However, shares of this TSX stock dropped 2.76% during yesterday's trading session. The stock has now plunged 7.2% in the year-to-date period.

Investors got a look at the company's first-quarter fiscal 2022 results on August 10. Revenue rose 2.9% year over year to $3.48 billion. However, adjusted EBITDA dropped 21% to $290 million. The company faced challenges, as the pandemic disrupted its historically reliable business. It also took hits due to commodity price fluctuations and supply chain issues.

This TSX stock possesses a favourable price-to-earnings ratio of 25. It offers a quarterly dividend of $0.18 per share, which represents a 2.1% yield. Better yet, Saputo stock closed with an RSI of 26 on September 10. That puts this TSX stock well into technically oversold territory.

One more undervalued TSX stock that offers nice income

Sienna Senior Living (TSX:SIA) is the third underpriced TSX stock I want to focus on today. The Markham-based company provides senior living and long-term-care (LTC) services in Canada. This has been a huge focus during the pandemic. Indeed, over 80% of COVID-19 deaths have occurred at LTC homes. Canadian leaders have made it a priority to inject more funding to these facilities going forward.

Shares of Sienna Senior Living have climbed 6.8% in 2021. However, the TSX stock is down 7.1% month over month. Its shares last had an RSI of 20, putting it down into technically oversold levels. Better yet, this TSX stock offers a monthly dividend of $0.078 per share. That represents a tasty 6.3% yield.

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