3 Cheap TSX Stocks You'll Want to Own in 2022

Description

The **S&P/TSX Composite Index** was up 123 points in early afternoon trading on October 13. North American stocks have managed to gain momentum in the face of troubling economic projections. However, there are still TSX stocks that need to recoup losses over the past month. Today, I want to look at three cheap TSX stocks that investors should look to snatch up in October. These are equities that you'll be glad to own by the time 2022 rolls around. Let's jump in.

Here's why you should buy this explosive tech stock on the dip

Shopify (TSX:SHOP)(NYSE:SHOP) is an Ottawa-based company that provides an e-commerce platform for its stable of businesses around the world. This top TSX stock has erupted since its 2015 IPO. However, its growth has slowed in 2021. Shares are up 23% in the year-to-date period at the time of this writing. The stock has also dropped 7.4% month over month.

In Q2 2021, the company delivered revenue growth of 57% to $1.12 billion. E-commerce companies, especially those with a massive reach like Shopify, have posted huge growth in the face of the COVID-19 pandemic. The company shattered its previous Black Friday-Cyber Monday holiday shopping weekend revenue record in 2020. Investors should expect another big performance when that weekend rolls around on November 29.

Back in June, I'd predicted why investors need to stick with Shopify, as it eyes international expansion. Shopify is on track for strong revenue growth going forward. The TSX stock hit oversold levels in trading last week.

This TSX stock is undervalued and underrated right now

Richelieu Hardware (TSX:RCH) is a Montreal-based company that manufactures, imports, and distributes specialty hardware and complementary products in North America. Shares of this TSX stock have climbed 31% in 2021. The stock has slipped 2.7% over the past month.

The company unveiled its third-quarter 2021 results on October 7. Sales climbed 20% year over year to $373 million in Q3 2021. Meanwhile, net earnings increased 38% to $38.7 million, or $0.69 per diluted share. Richelieu has been bolstered by internal growth and its recent acquisitions. Moreover, higher prices in the hardware space have also provided a boost to sales.

This TSX stock possesses a favourable price-to-earnings ratio of 19. Richelieu also dropped into oversold territory last week. It offers a quarterly dividend of $0.07 per share, representing a modest 0.6% yield.

One more cheap TSX stock to buy in the green energy space

Northland Power (TSX:NPI) is the third TSX stock I want to focus on today. This Toronto-based company develops, builds, owns, and operates clean and green power projects around the world. The TSX stock has dropped 9.8% in the year-to-date period. Last summer, I'd discussed why investors should seek exposure to promising green energy stocks like Northland.

In the second quarter of 2021, the company saw sales fall 5% year over year to $408 million. Meanwhile, adjusted EBITDA slipped 10% to $203 million. This should not dissuade investors. Northland Power's earnings are still on track for strong growth going forward. Moreover, its robust business is deemed essential and is therefore a solid defensive option as well.

Shares of this TSX stock offer attractive value compared to its industry peer. It fell into oversold territory in early October. Moreover, it last paid out a monthly dividend of $0.10 per share. That represents a 2.9% yield.

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Date
2025/08/15
Date Created
2021/10/13
Author
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