



2 Incredibly Cheap TSX Stocks to Buy Right Now

Description

The markets may have bounced back from its mild 5% pullback, but that doesn't mean the [opportunity](#) to pick up incredibly cheap TSX stocks is gone. While 2021 may go down as a year that lacked a correction, it's arguable that it's one that has suffered through rolling corrections that may have gone unnoticed by those who didn't look under the hood of the indices. Undoubtedly, your portfolio is probably choppier than the TSX Index, and that's okay. Based on the sectors you've invested in, you're either up way more than the broader markets, or you're trailing by a considerable amount.

Even if you're well diversified, it's a tough year to stack up against the energy-heavy TSX, given the unprecedented boom in commodities. Undoubtedly, the commodity boom won't last forever. Still, given the unpredictable nature of commodity prices, there's no telling just how much higher oil and all the sort can run from here. As such, investors lacking energy exposure may still wish to punch their ticket into some of the [cheaper](#) names that look to have compelling risk/reward trade-offs at this juncture.

In any case, diversification remains critical. Moreover, insisting on wide margins of safety can also protect you from the next market-wide selloff, which could strike when we least expect it on the back of surprises that may not yet be on any of your radars at this time. Consider **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), a compelling catch-up trade in the oil sands, and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)), an incredibly cheap TSX stock to bank on.

Cheap TSX stock #1: Suncor Energy

Suncor Energy is a wonderful integrated energy company with a resilient operating cash flow stream. Still, the company lost its crown last year, and its dividend is still healing from the cut it delivered when the tides lowered on the oil patch last year. Just a year later, and the tides have turned back in the fossil fuel play's favour. Still, SU stock hasn't rallied nearly as much as it could have, given the industry tailwinds that suddenly presented themselves.

With the prospect of WTI (West Texas Intermediate) at US\$100 or higher considered, SU stock looks like an absolute steal. Even if oil pulls back to the US\$60 range, Suncor remains a name with what I believe to be a huge margin of safety. Undoubtedly, Suncor's prior dividend cut proved to be ill-timed,

but don't think for a second that the firm can't right its wrongs. It can do so, and in a hurry, with the wind at its back.

At 1.2 times book value, Suncor stock is dirt cheap and is one of my top picks in the Albertan oil patch for those looking for a catch-up value trade with significant catalysts and momentum.

Cheap TSX stock #2: Bank of Montreal

Bank of Montreal is a great Canadian bank that's seen its shares flatline of late. Indeed, the strong rally off its lows of last year couldn't continue forever, but with dividend hikes likely on the horizon (potentially the most significant hikes in a long time?), I think now is an excellent time to top-up your banking exposure as the environment continues to improve. Earnings growth, nosediving provisions, potential Bank of Canada rate hikes, and a booming economy are all reasons to consider BMO and its peers.

I like BMO for its U.S. and Canadian geographic mix and, of course, its valuation. At 1.6 times book and 12.6 times earnings, BMO stock is way too cheap for the calibre of company you're getting. Like Suncor, BMO is likely to be one of the fastest dividend growers over the next few years. While you'd do well with any Canadian bank at this juncture, BMO seems to be the best bank for your buck for now.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:SU (Suncor Energy Inc.)

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. joefrenette
2. kduncombe

Category

1. Investing

Date

2025/09/07

Date Created

2021/10/22

Author

joefrenette

default watermark

default watermark