



4 Incredibly Cheap TSX Stocks to Buy in October 2021

Description

TSX stocks have been consistently soaring up in October. The **S&P/TSX Composite Index** just climbed over an all-time high to 21,200 points. Given all the challenges in the world, it is a small miracle. While TSX stocks seem expensive, there are still bargains to be found. Here is a list of four stocks that look incredibly [cheap](#) today.

Magna: A manufacturing giant

The ideal time to buy cyclical stocks is generally when they are out of favour and the market avoids them. Well, you could say **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) has recently fallen out of favour. Just a few days ago, it had to [reduce its 2021 outlook](#) and revenue forecasts. Supply chain issues, inflation, and even Evergrande issues are weighing on this year's results.

Certainly, in the short term, this is concerning. This TSX stock is down 14.5% this year. It trades with a price-to-earnings (P/E) ratio of only 11.5. Yet, for a long-term buy, Magna should see exceptional opportunities ahead.

Outsourced manufacturing, particularly in the electric vehicle space, will continue to be a massive opportunity. It has the scale, efficiency, and balance sheet to survive through various crises and thrive when economics normalize again.

Suncor: A cheap TSX energy stock

One TSX stock benefiting from inflationary pressures is **Suncor** ([TSX:SU](#))([NYSE:SU](#)). Slow supply and rising demand out of the pandemic are causing oil prices to drastically rise. Today, oil is hitting over US\$80 per barrel. That is incredibly positive for Suncor. When it can produce oil for \$35 per barrel or less, it can yield significant amounts of cash at this price.

Certainly, it has had some operational issues and its balance sheet is still on the mend. However, management appears very committed to improving operations, reducing excess costs, and lowering

debt. At \$27 per share, this TSX stock has a forward P/E of only nine. It also pays a nice 3% dividend. All around, it looks like [a good bargain](#) today.

Brookfield Renewable: A leading TSX renewable stock

On the opposite end of the energy spectrum, renewable energy stocks on the TSX have been declining in 2021. With a market cap of \$12.9 billion, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one of the largest developers and owners of renewable power in the world. Its stock is down almost 15% this year.

Given its size, scale, and quality of global operations, Brookfield always trades at a premium to its peers. It operates 21,000 megawatts (MW) of renewable power; however, it has a growth pipeline that is over 30,000 MW. If any stock will prosper from the renewable trend, it is this one. Today, it pays a 3.2% dividend. Given the recent pullback, it looks like a great deal to capture steady total returns for years ahead.

Intertape Polymer: An undervalued packaging stock

Over the pandemic, one TSX stock that has completely transformed for the better is **Intertape Polymer Group** ([TSX:ITP](#)). Many have probably not heard of this business. However, if you find yourself receiving more **Amazon** packages every week, you are likely to find ITP's tapes sealing those packages. It manufactures and distributes tapes, packaging, and wraps for a broad array of industries. E-commerce has recently been a large growth propellant.

Over the past few years, it has been growing EBITDA and earnings per share by over 20% a year. Yet, this stock trades with a P/E of only 10. It pays a very nice 3% dividend, which it just raised last quarter. For a combination of growth and value, this is a perfect TSX stock to buy and hold.

CATEGORY

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2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:MGA (Magna International Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:ITP (Intertape Polymer Group)
6. TSX:MG (Magna International Inc.)
7. TSX:SU (Suncor Energy Inc.)

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Date

2025/08/14

Date Created

2021/10/23

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