Beginners: 3 Cheap Stocks to Buy in a Market Pullback

Description

The **S&P/TSX Composite Index** was down 94 points in late-morning trading on December 8. In late November, I'd looked at some of the top stocks to buy as the year winds to a close. Investors who are just starting out may be intimidated in the middle of a market pullback. Today, I want to look at three cheap stocks that are worth snatching up in the face of volatility. Let's jump in.

Why beginners should snatch up this discounted green energy stock

Brookfield Renewable Energy (TSX:BEP.UN)(NYSE:BEP) is a Brookfield-based company that owns a portfolio of renewable power generating facilities in North America and around the world. Shares of this cheap stock have dropped 21% in 2021 at the time of this writing. The stock is down 8.8% month over month.

Beginners should be attracted to Brookfield for its exposure to the burgeoning green energy space and its impressive dividend-growth history. In Q3 2021, the company generated funds from operations of $210 million, or $0.33 per unit — up 32% from the previous year. Brookfield still boasts a very strong balance sheet with a whopping $3.3 billion of available liquidity.

Shares of this cheap stock last had an RSI of 32, putting it just outside technically oversold territory. Moreover, it offers a quarterly dividend of $0.304 per share. That represents a 3.4% yield.

One top bank that is a cheap stock after the recent pullback

Canada's big banks unveiled their fourth-quarter and full-year 2021 results in late November and early December. **National Bank** (TSX:NA) is the smallest of the Big Six Canadian bank stocks, but it has a huge presence in its home province of Quebec. Shares of this cheap stock have dipped 6.9% in the month-over-month period. The stock is still up 35% so far in 2021.

In the fourth quarter, National Bank delivered net income growth of 58% to $776 million, or 61% on a per-share basis to $2.19. Meanwhile, net income for the full year jumped 53% to $3.17 billion. The bank delivered strong growth in all its major segments.

This cheap stock possesses an attractive P/E ratio of 10 at the time of this writing. Better yet, it hiked its quarterly dividend by 16% to $0.87 per share. That represents a 3.5% yield.

Here's another cheap stock that is perfect for beginners

Earlier this year, I'd discussed why **Enbridge** (TSX:ENB)(NYSE:ENB) was an energy heavyweight that investors of all stripes could trust for the long haul. Shares of this cheap stock have increased 18% in the year-to-date period. However, the stock has plunged 7.9% over the past month.

Enbridge released its third-quarter 2021 earnings early last month. Meanwhile, adjusted earnings rose to $1.2 billion, or $0.59 per common share, compared to $1.0 billion, or $0.48 per common share, in Q3 2020. Moreover, adjusted EBITDA was reported at $3.3 billion — up from $3.0 billion in the prior year.

Beginners should look to target this cheap stock as it possesses a very favourable P/E ratio of 17. It recently hiked its quarterly dividend to $0.86 per share. That represents a monster 7% yield.

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