FIRE SALE: 3 Cheap TSX Stocks to Buy Today

Description

Canadian stocks have been broadly throttled since late November. Markets have been hit by major volatility, as the rising Omicron COVID-19 variant threatens to torpedo a long and rocky recovery. Today, I want to look at three undervalued TSX stocks that are worth snagging before the new year.

This housing stock just slipped into oversold territory

Equitable Group (TSX:EQB) is a Toronto-based company that provides personal and commercial banking services to retail and commercial customers across the country. Last week, I'd discussed why this TSX stock was well positioned to thrive due to a red-hot Canada housing market. Shares of Equitable Group have dropped 17% month over month as of close on December 20. Now is a perfect time to buy the dip.

The company unveiled its third-quarter 2021 earnings on November 2. Assets under management (AUM) climbed 13% from the prior year to $40.2 billion. Meanwhile, EQ Bank deposits increased 60% year over year to $6.9 billion. Better yet, customers rose 60% to 237,000. Its loans under management increased 14% to $4.6 billion.

Shares of this TSX stock possess a very favourable price-to-earnings ratio of 8.1. Moreover, it had an RSI of 24. That puts Equitable Group in technically oversold territory. Investors should look to snatch up this TSX stock after its sharp dip in the month-over-month period.

Here's a cheap TSX stock worth snatching up as the Canadian dollar weakens

Stella-Jones (TSX:SJ) is a Montreal-based company that produces and markets pressure-treated wood products in Canada and the United States. This TSX stock has dropped 16% in 2021 as of close on December 20. Its shares have dipped 8.1% month over month.

Earlier this year, I'd discussed why a stronger Canadian dollar was bad news for Stella-Jones. Omicron fears and a reeling oil and gas sector have had a negative impact on the Canadian dollar in the final quarter of 2021. It hit a 13-month low in yesterday's trading session.

In Q3 2021, Stella-Jones saw sales fall 8% year over year to $679 million. Gross profit in the first nine months of 2021 rose to $391 million — up from $361 million in 2020. Moreover, EBITDA increased to $348 million over $315 million year to date in the previous year. This TSX stock possesses an attractive P/E ratio of 10. It last had an RSI of 26, which also puts Stella-Jones in oversold levels.

One more undervalued TSX stock to buy today

Enghouse Systems (TSX:ENGH) is the last TSX stock I'd look to snatch up on the dip in late December. This Markham-based company develops enterprise software solutions worldwide. Shares of this tech focused TSX stock have plunged 27% in 2021. The stock has plunged 22% in the month-over-month period.

The company released its fourth-quarter and full-year 2021 earnings on December 16. Revenues and earnings were down in the year-over-year period, as the COVID-19 pandemic led to a surge in demand in 2020. Enghouse also suffered due to a stronger Canadian dollar for most of the year. Regardless, Enghouse boasts an immaculate balance sheet, and it is on track for strong earnings growth going forward.

This TSX stock possesses an RSI of 20, which puts Enghouse well in technically oversold territory.

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3. TSX:SJ (Stella-Jones Inc.)

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