3 Remarkably Cheap TSX Stocks to Buy Right Now

Description

Other than energy and financial stocks, many **TSX** stocks have been in a progressive decline since the start of the year. While January has been an ugly month for many Canadian investors' portfolios, there are always opportunities in the chaos.

In fact, the downward market volatility can be a remarkable opportunity to pick up top-quality stocks at a significant discount. If you aren't afraid to invest when the market is red, here are three remarkably cheap TSX stocks I'd consider buying right now.

Cheap TSX stock #1: Shopify

Over the past few weeks, **Shopify** (TSX:SHOP)(NYSE:SHOP) has given up all the gains that it earned in 2021. This TSX growth stock is down 20.5% over the past month. It even lost its coveted position as the most valuable company in Canada by market capitalization.

Today, Shopify trades at its cheapest price-to-sales ratio since the pandemic hit (around 24 times). On a relative basis, this is not cheap by any means. Consequently, the stock could still have more downside (so be prepared for volatility). However, given Shopify's history of growing revenues on average by 60% or more, it is not completely unreasonable. This company still has years of growth ahead.

Certainly, the pandemic has rapidly bolstered Shopify's business in the past two years. Perhaps, its growth may moderate to some extent. Yet, this is one of the best e-commerce platforms in Canada and perhaps even the world (next to **Amazon.com**). This TSX stock is well managed, innovative, and has a strong history of outperforming expectations. For a long-thinking (five years out) investor, this dip may be a gift.

Cheap stock #2: Suncor

While energy stocks have been in the doldrums for the past five years, now may be a time to have some exposure to the sector. Why not own one of Canada's largest energy producers by owning **Suncor Energy** (TSX:SU)(NYSE:SU)?

Last year, this TSX stock underperformed its energy peers. As a result, it could enjoy an outsized recovery trade this year. Frankly, there is a lot to like about its business today. With oil over US$70 per barrel, it is generating a lot of free cash. It is directing this towards efficiency improvements, debt reduction, share buybacks, and dividend increases.

This TSX stock trades with a forward price-to-earnings ratio of 7.7 times and a 13% discount to its pre-pandemic level. The business looks to be in better shape than prior to the pandemic, so there is no reason it can't get back to that level. Collect a 4.75% dividend while you wait.

Cheap TSX stock #3: Cargojet

Another TSX stock that looks very cheap right now is **Cargojet** (TSX:CJT). Its stock is down over 18% since January 2021. Due to elevated comparisons from 2020 (a record-breaking year), the company disappointed expectations in 2021. Today, this TSX stock only trades with an enterprise value-to-EBITDA ratio of 14.8, which is the cheapest it's been since early 2018.

However, I don't believe the Cargojet growth story is over. The company just locked in several new air cargo contracts with two major customers in Canada. In addition, it will be adding a number of new planes to its fleet in 2022. These will help form the backbone of its international cargo business. That could be a totally new growth engine.

Over the past 10 years, Cargojet has delivered a 1,725% stock return. The company has a strong track record of building shareholder value. You may need to be patient, but faithful shareholders could be nicely rewarded in the future.

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:CJT (Cargojet Inc.)
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