BUY ALERT: 2 Cheap TSX Stocks to Buy Today

Description

The **S&P/TSX Composite Index** rose 150 points on February 15. North American markets broadly bounced back after a rough start to the week. Tensions between Russia and Ukraine appeared to dissipate on Tuesday, which injected optimism back into global markets. That said, there is still a lot of uncertainty in this market. Today, I want to look at two TSX stocks that look undervalued at the time of this writing. Let's jump in.

Why BlackBerry stock looks discounted in the middle of February

BlackBerry (TSX:BB)(NYSE:BB) is a Waterloo-based company that provides intelligent security software and services to enterprises and governments around the world. Shares of this TSX stock have plunged 22% in 2022 as of close on February 15. The stock has plunged 40% in the year-over-year period.

Last spring, I'd discussed whether investors should brace for a cyber pandemic. At the time, an increase in cyber attacks inspired security experts to float this warning. Indeed, the COVID-19 pandemic had forced millions of Canadians and others around the world to work from home. The increased reliance on digital platforms to conduct business meant that the risks had also climbed substantially. Companies have moved to invest more in cybersecurity to combat these threats.

That is where Blackberry can look to gain momentum in the 2020s. It is not the biggest player in the cybersecurity space, but it has carved out a solid niche in Canada. Meanwhile, it has also won contracts with the Government of Canada in 2021 and major private entities. Its QNX software is now embedded in over 200 million vehicles around the world.

In the third quarter of fiscal 2022, the company reported cybersecurity revenue of $128 million with a gross margin of 59%. It recently announced a partnership with **Okta** to "deliver both seamless identity and access capabilities while using BlackBerry UEM endpoint management.

Shares of this cheap TSX stock last had an RSI of 36, putting BlackBerry just outside technically oversold territory.

Don’t sleep on this undervalued TSX stock in 2022

Sleep Country Canada (TSX:ZZZ) is a Toronto-based company that is engaged in mattress and bedding-related product retail in Canada. This TSX stock has dropped 10% to start this year. Its shares are still up 25% in the year-over-year period.

This company had all the qualities of a successful retailer in the face of the COVID-19 pandemic. It was able to bolster its e-commerce platform, which led to solid sales, even in the face of significant store closures. Investors can expect to see Sleep Country’s fourth-quarter and full-year 2021 earnings on March 3.

In Q3 2021, the company delivered revenue growth of 13% to $31.4 million. E-commerce sales represented nearly 18% of revenues in the third quarter of 2021. Meanwhile, adjusted net income climbed 19.5% year over year to $6.5 million.

Shares of this TSX stock possess a favourable price-to-earnings ratio of 14. Sleep Country stock slipped into technically oversold territory late last week. It is not too late to snatch up this cheap TSX stock right now. Moreover, it offers a quarterly dividend of $0.195 per share. That represents a 2.3% yield.

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aocallaghan