



## 2 Under-\$3 TSX Stocks to Buy Now

### Description

While [investing in cheap stocks](#) is one of the best ways to multiply your hard-earned money, it's not always easy to find such stocks with strong fundamentals. In this article, I'll highlight two TSX stocks with improving fundamental outlooks — currently trading below \$3 per share.

### Buy cheap stocks in Canada

After the **TSX Composite Index** soared to new heights in 2021, most stocks with a good fundamental outlook started looking overvalued. While some tech stocks have started looking cheap after witnessing a big correction in the last few months, the ongoing extreme volatility in the tech sector could immensely increase your risk exposure. But fortunately, some fundamentally strong TSX stocks from other sectors still look cheap, which could help you get handsome returns if you hold them for the long term. Let's take a closer look.

### OceanaGold stock

**OceanaGold** ([TSX:OGC](#)) could be one of the best cheap stocks to buy in Canada right now. It's an Australian gold producer with a market cap of about \$1.6 billion. This TSX-listed cheap stock is currently trading at \$2.21 per share without any notable change on a year-to-date basis.

The ongoing growth trend in OceanaGold's financials looks impressive, with its total revenue more than doubling in Q3 2021. Its adjusted earnings in the third quarter stood at US\$0.06 per share — far better than analysts' estimate of US\$0.02 per share. Street analysts expect the company's top line growth in full-year 2021 to remain around 50%.

In September 2021, OceanaGold announced the restart of its operations at the Philippines-based Didipio mine, ahead of plan, which boosted its total production last year. As the Didipio mine [continues](#) to come closer to its full production levels in 2022, it would help the gold miner post strong financial growth. Given all these positive factors, you may want to add this cheap TSX stock to your portfolio right now.

## New Gold stock

**New Gold** ([TSX:NGD](#))([NYSEMKT:NGD](#)) could be another fundamentally strong precious metals mining company to invest in right now. This Toronto-based firm currently has a market cap of \$1.7 billion as its stock trades at \$2.44 per share with 29% year-to-date gains.

For the quarter ended in September 2021, New Gold's adjusted earnings rose by 50% from a year ago to US\$0.03 per share. It was also nearly 60% above analysts' estimates. Its full-year 2021 earnings are expected to be around US\$0.12 per share — showcasing massive growth over just US\$0.03 per share in 2020.

In the last few years, New Gold has also increased its focus on reducing costs to improve efficiency, which could help the company improve its profitability in the long run. Apart from its improving financial growth outlook, New Gold's rising production, sound balance sheet, and strong long-term production growth prospects make its stock worth considering right now.

While this cheap TSX stock has already risen sharply in 2022, it's still trading much lower than its 2019 closing level of \$2.80 per share. That's why I still find its stock worth buying in February 2022.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSEMKT:NGD (New Gold Inc.)
2. TSX:NGD (New Gold Inc.)
3. TSX:OGC (OceanaGold Corporation)

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