



## 3 Incredibly Cheap Canadian Stocks to Buy for Passive Income

### Description

Cheap [Canadian stocks](#) that produce regular passive income are getting harder to find. Investors are crowding into safe dividend stocks as geopolitical and economic fears continue to swirl. Fortunately, there are still opportunities to collect attractive dividends from stocks that also have nice capital upside.

You may have to turn over some rocks during your hunt and then be patient. However, under-loved investment opportunities can end up earning you outsized gains – as long as the businesses are on solid ground. Here are three incredibly cheap Canadian stocks you can buy for passive income today.

### TD Bank: A passive income legend

Canadian bank stocks have recently fallen after the Canadian government said it would target them for higher tax rates. But the banks will likely pass these costs through to their customers, so the effects on banks' earnings (and their stock performances) should be limited over time.

Likewise, some banks, particularly **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) have large operations in the United States, which helps offset their Canadian tax exposure. Since February, its stock is down 10%. It is not the cheapest Canadian bank, but for its size, scale, and quality, it's a bargain today. TD is currently trading for a fair 11.5 times earnings.

TD pays an attractive 3.7% dividend today. It has raised that dividend by a 9.5% compounded annual rate for the past 10 years. Even though TD recently bought a U.S. company, it still has plenty of cash to help fund further growth. Think long-term with this stock and you will collect steady, growing streams of passive income and modest capital returns for years to come.

### Suncor: A top stock for energy exposure

If you are looking for a passive income stock with a bit more risk (but also increased upside potential),  
**Su**

If you are looking for a passive income stock with a bit more risk (but also increased profit potential), **Suncor Energy** ([TSX:SU](#)) ([NYSE:SU](#)) may be interesting. This Canadian stock is up 30% this year.

Yet, its stock price has underperformed other large-scale energy peers. Today, it trades for just 6 times forward earnings and 6.4 times cash flows. Suncor can easily keep paying investors its current 4% dividend thanks to its ample free cash flow (aka the money it has at its disposal).

Suncor has faced some operational challenges, especially in its oil sands operations. However, there are signs this should improve. The last few quarters have showed progress. Suncor also recently [added a new Executive Vice President](#) to oversee its mining operations.

Given the current geopolitical climate, oil prices should remain strong (over \$80) for the rest of the year. Rising fund flows into large-cap oil companies could keep driving this stock upward.

## goeasy: Value, growth, and passive income

If you are looking for a lesser-known passive income stock with large growth potential, **goeasy** ([TSX:GSY](#)) is one to consider now. goeasy is one of Canada's largest providers of non-prime loans and lending products. (These are loans made to borrowers with less-than-perfect credit histories.) The company has an amazing history of earnings and dividend growth.

Over the past 10 years, goeasy's earnings per share have been on a tear, which means investors have consistently been sharing in the company's success. And although the dividend is just 2.9% today, goeasy has increased its payout by an annual compounded rate of 26%, so it's likely that will continue.

This passive income stock has risen 273% in the past five years but is down nearly 30% for the year. At only 10.6 times earnings, goeasy stocks looks very attractively priced today.

By adding new payments/loans services and potential new markets, goeasy could continue to grow earnings at a nice ~20% growth rate. For value, income, and growth, this is a top passive income stock to buy and hold for many years ahead.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:GSY (goeasy Ltd.)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

### PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

#### **PP NOTIFY USER**

1. robbybrown
2. tmfwordnerd

#### **Category**

1. Dividend Stocks
2. Investing

#### **Date**

2025/08/27

#### **Date Created**

2022/04/12

#### **Author**

robbybrown

default watermark

default watermark