TFSA Investors: 3 Cheap TSX Stocks to Buy Today

Description

The **S&P/TSX Composite Index** was up 43 points in early afternoon trading on April 18. However, most sectors were in the red at the midway point of the trading day. Investors on the hunt for value in their Tax-Free Savings Account (TFSA) still have some attractive options in the second half of April. Back in February, I'd looked at two cheap TSX stocks that were worth your attention. Today, I want to look at three equities that fit the bit for your TFSA.

Why this under-the-radar equity is perfect for your TFSA

Richelieu Hardware (TSX:RCH) is the first undervalued TSX stock I'd target in a TFSA right now. This Montreal-based company manufactures, imports, and distributes specialty hardware and complementary products in North America. Shares of Richelieu have dropped 14% in the year-to-date period. This has pushed the stock into negative territory year over year.

This company released its first-quarter 2022 results on April 7. Total sales increased 29% from the previous year to $384 million. Meanwhile, net earnings were reported at $30.2 million, or $0.53 per diluted share — up 43% from the first quarter of 2021. Richelieu bolstered its position with three more promising U.S. acquisitions.

Shares of this cheap TSX stock possess a favourable price-to-earnings (P/E) ratio of 14 at the time of this writing. It also offers a quarterly dividend of $0.13 per share. That represents a modest 1.3% yield.

This cheap TSX stock is also a dependable profit machine

Last month, I'd looked at some of the best Canadian bank stocks to snatch up after first-quarter earnings season. **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) is the fifth-largest of the Big Six Canadian banks. This TSX stock has delinked 3.4% so far in 2022. The financial sector has encountered some turbulence after the recent rate hike. TFSA investors should be eager to snatch up top bank stocks on the dip.

The bank unveiled its first batch of 2022 earnings on February 25. It reported adjusted net income of $1.89 billion, or $4.08 per diluted share — up 15% and 14%, respectively, from the prior year. CIBC put together very solid growth in its major business segments. Rate hikes have stirred investor anxiety, but this environment should also boost profit margins for CIBC and its peers.

This TSX stock last had an attractive P/E ratio of 10. Its shares last had an RSI of 23, which puts CIBC in technically oversold territory. TFSA investors can also rely on its quarterly dividend of $1.61 per share, which represents a solid 4.4% yield.

One more discounted TSX stock to consider for your TFSA right now

TFSA investors may also want to snatch up equities with exposure to the Canada housing market. The interest rate hike has also stirred fears in this sector. **Equitable Group** (TSX:EQB) is one of the top alternative lenders in Canada. Shares of this TSX stock have dropped 13% so far this year.

Equitable Group put together very strong earnings in 2021. It delivered total earnings of $292 million, or $8.36 per diluted share — up 31% and 29%, respectively, from 2020. Meanwhile, single-family conventional mortgage loans jumped 30% to $14.4 billion. This TSX stock possesses a very attractive P/E ratio of 7.4. It has an RSI of 26, which also puts it in oversold levels. Equitable Group also offers a quarterly dividend of $0.28 per share, representing a 1.8% yield.

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Date
2025/08/14
Date Created
2022/04/18
Author
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