



Young Investors: 3 Cheap TSX Stocks to Add in Early May

Description

Young Canadian investors are facing a unique set of challenges in the early part of the 2020s. The spectre of stagflation is looming large, as consumers fight with soaring inflation rates, a choppy stock market, and predictions of slower growth. This is a [great opportunity](#) for young investors to snatch up top TSX stocks at a discount. Today, I want to look at three of my favourites that are [undervalued](#) right now. Let's jump in.

This TSX stock looks discounted in early May

TFI International ([TSX:TFII](#))([NYSE:TFII](#)) is a Montreal-based company that provides transportation and logistics services in North America. Shares of this TSX stock have dropped 22% in 2022 as of late-afternoon trading on May 4. The stock is still up 1.4% in the year-over-year period.

This company released its first-quarter 2022 earnings on April 28. Total revenue was reported at \$2.19 billion — up from \$1.14 billion in the previous year. Meanwhile, adjusted EBITDA rose to \$330 million compared to \$176 million in the first quarter of 2021. It posted adjusted net income of \$157 million, or \$1.68 per diluted share — up from \$73.6 million, or \$0.77 per diluted share, for the same period last year.

Shares of this TSX stock currently possess a [favourable](#) price-to-earnings ratio of 10. It last paid out a quarterly dividend of \$0.27 per share. That represents a modest 1.2% yield.

Young investors can trust bank stocks for the long term

Canadian banks stocks have provided steady capital growth and income for decades. Young investors should look to be next in line to take full advantage of these profit machines in their portfolio.

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is the second TSX stock I'd look to snatch up in the beginning of May. This top bank stock has dropped 8.5% in the year-to-date period.

Scotiabank is set to release its second-quarter 2022 results on May 25. In Q1 2022, it reported

adjusted net income of \$2.75 billion, or \$2.15 per diluted share — up from \$2.41 billion, or \$1.88 per diluted share, in the previous year. Scotiabank and its peers were powered by a big drop in provisions set aside for credit losses and improved volume growth for deposit and credit products.

This TSX stock last had an attractive P/E ratio of 10. It offers a quarterly dividend of \$1.00 per share, which represents a solid 4.8% yield.

One more discounted TSX stock I'd suggest for young investors

Richelieu Hardware ([TSX:RCH](#)) is the third TSX stock I'd suggest for young investors in the first week of May. This Montreal-based company is engaged in the manufacture, importation, and distribution of specialty hardware and complementary products in North America. Its shares have dropped 15% in 2022.

The company unveiled its first-quarter 2022 earnings on April 7. Total sales increased 29% year over year to \$384 million and EBITDA jumped 40% to \$53.7 million. This TSX stock possesses a favourable P/E ratio of 13 at the time of this writing. It also offers a quarterly dividend of \$0.13 per share, representing a modest 1.4% yield.

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