



TFSA Investors: Why Now Is the Time to Buy TSX Stocks!

Description

The **S&P/TSX Composite Index** moved up marginally on Thursday, May 19 after suffering a sharp triple-digit loss in the previous trading session. Investors should look back to the March 2020 market pullback that sprung out of the beginnings of the COVID-19 pandemic. That provided fantastic buying opportunities across the board that made new fortunes. Now, in 2022, the [Tax-Free Savings Account \(TFSA\)](#) boasts more [cumulative contribution room](#). This is the perfect time to take advantage and snatch up cheap TSX stocks in your TFSA!

TFSA investors should snatch up undervalued bank stocks in this climate

TD Bank ([TSX:TD](#))([NYSE:TD](#)) is one of the [top TSX stocks](#) I'd look to snatch up in a TFSA right now. It is the second-largest Canadian bank by market cap. Shares of TD Bank have dropped 7.6% in 2022 as of close on May 19. The stock is still up 4.4% from the previous year. These profit machines have provided a great balance of capital growth and income over the past decade. I'm betting it will deliver again over the next 10 years.

The bank is set to release its second-quarter 2022 earnings on May 26. In Q1 2022, the bank reported adjusted net income of \$3.83 billion or \$2.08 per share — up from \$3.38 billion, or \$1.83 per share, in the previous year. TD Bank benefited from a big drop in provisions set aside for credit losses and its Retail Banking segments performed well in Canada and the United States.

Shares of TD Bank possess a favourable price-to-earnings (P/E) ratio of 11. It offers a quarterly dividend of \$0.89 per share, which represents a 3.8% yield.

Here's a top TSX stock that looks undervalued in this market pullback

TFSA investors should also look to snatch up **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) in the second

half of May. This top TSX stock has declined 12% in the year-to-date period. That has pushed its shares into negative territory compared to the same time in 2021.

This Toronto-based company is one of the top insurance providers and financial services companies in Canada. It released its first-quarter 2022 results on May 11. Insurance sales increased 9% year over year to \$799 million in Q1 2022.

Shares of this TSX stock last had an attractive P/E ratio of 9.5. TFSA investors can also count on its quarterly dividend of \$0.69 per share. That represents a solid 4.4% yield.

One more undervalued TSX stock to stash in your TFSA today

Gold prices have retreated after reaching above US\$2,000/ounce earlier this year. However, it is still a good idea to stash gold equities as a hedge in your TFSA going forward. **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) is one of the top gold producers on the planet. This TSX stock has climbed 11% so far this year. It is still down 11% from the same period in 2021.

Barrick Gold had a strong start in the first quarter of 2022 on the back of improved year-over-year spot gold prices. Shares of this TSX stock possess a favourable P/E ratio of 19. It offers a quarterly dividend of \$0.10 per share, representing a modest 1.9% yield.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:ABX (Barrick Mining)
4. TSX:SLF (Sun Life Financial Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

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