2 of the Best Metal Stocks (With Dividends) to Buy on the TSX Today

Description

The stock market has been going through a roller-coaster ride lately. After starting the year on a strong note with 3.1% gains in Q1, the **TSX Composite Index** has dived by more than 7% so far in the second quarter — mainly due to the ongoing selloff in tech shares. Nonetheless, Canadian stocks are still outperforming the key U.S. indexes by a wide margin, as strengthening commodity prices are helping Canadian metal and energy stocks inch up.

As a long-term growth outlook for most metal companies remains strong, investors might want to add some fundamentally strong metal and mining stocks with impressive dividends to their portfolios to remain largely unaffected by the ongoing tech-driven market selloff.

Russel Metals stock

Russel Metals (TSX:RUS) is a Mississauga-based metals distribution company with a market cap of about $2 billion. After ending the previous three years in the green territory, its stock has fallen by 7.3% in 2022 at $31.16 per share.

The ongoing growth trend in Russel's financials clearly looks impressive, as it has been beating Street's revenue estimates for the last five consecutive quarters and earnings estimates for the last eight quarters. A recent rebound in the steel market conditions helped the company post a solid 51% YoY (year-over-year) jump in its total revenue in Q1 2022. To add optimism, Russel's adjusted earnings for the quarter rose by 21% YoY to around $1.56 per share.

Interestingly, Russel Metals has been rewarding its loyal investors with impressive dividends for over two decades now — irrespective of economic cycles. This TSX metal stock currently has a strong dividend yield of around 4.9%. While the recent drop in metals prices could be one of the reasons why RUS stock has fallen in May, continued inventory and supply chain challenges could help the metals prices and its stock make a comeback soon, making it worth buying on the dip.

Lundin Mining stock

Lundin Mining (TSX:LUN) could be another attractive metal stock on the TSX to buy today — especially after its recent dip. It's a Toronto-based metals mining company that currently has a market cap of about $8.4 billion, and its stock has a dividend yield of around 4.1%.

In the March quarter, Lundin Mining registered a 55.4% YoY jump in its total revenue to $991 million. Its adjusted earnings for the quarter doubled from a year ago to $0.40 per share — mainly due to higher metal prices.

While its stock continues to trade with 9.2% year-to-date gains at $10.79 per share, it has seen about 22% value erosion in the last 25 days. The broader market selloff and a recent correction in base metals prices could be responsible for Lundin Mining stock's big losses in the last month. Nonetheless, the medium- to long-term outlook for metals prices remains strong, as the global economy continues to recover from the pandemic. Given that, you could expect this metals and mining stock to stage a sharp recovery in the coming months.

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1. Investing
2. Metals and Mining Stocks

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