



2 of the Best TSX Stocks I'd Buy in June 2022

Description

The **S&P/TSX Composite Index** has seen a 5.3% correction in the last couple of months after ending the first quarter on a strong note. Temporary macro factors such as high inflation and continued supply chain disruptions have taken a toll on investors' sentiments lately.

Nonetheless, this might be one of the best times for new investors to jump into the stock market to buy some fundamentally strong stocks cheap and hold them for the long term before such stocks stage a sharp recovery in the coming months. In this article, I'll highlight two of the best TSX stocks that I find worth buying for the long term in June 2022.

Interfor stock

Interfor ([TSX:IFP](#)) is a Vancouver-based forest products company with a market cap of \$1.8 billion. After surging by nearly 82% in 2021, its stock currently trades with 17% year-to-date losses at \$33.68 per share.

On May 11, Interfor [reported](#) a 59% YoY (year-over-year) jump in its Q1 total revenue to \$1.35 billion, as it reported a record lumber production of 921 million board feet. At the same time, a recent rally in lumber prices helped the company a solid 61% YoY increase in its adjusted earnings for the quarter to \$6.61 per share. With the help of a strong lumber pricing environment, Interfor's adjusted net profit margin in Q1 this year stood firm at 29.1% — significantly higher than its profit margin of 25.2% in the full year 2021.

Going forward, the company expects North American lumber markets to remain strong in the near term with the help of continued robust demand from new housing starts, along with repair and removal activities. That's why you could expect the ongoing strong growth trend in Interfor's financials to remain intact in the coming quarters as well. Despite all these positive factors, the recent broader market selloff drove its stock down by 8% in May, which presents an opportunity for long-term investors to buy it at a bargain in June 2022.

Lightspeed stock

I find **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) to be one of the best cheap stocks from the [tech sector](#) to buy right now. Unlike Interfor, LSPD stock jumped by around 15% last month after the company reported its strong March quarter results on May 19. However, this fundamentally strong TSX stock still trades with 36% year-to-date losses — primarily due to the recent tech sector-wide crash.

Lightspeed primarily focuses on providing its innovative omnichannel commerce platform to merchants from the retail, hospitality, and golf industries. In the last quarter, the company registered a 78% YoY jump in its total revenue to US\$146.6 million, beating estimates. While its subscription revenue rose by 77% YoY for the quarter, its transaction-based revenue surged by 88% from a year ago.

As the economic reopening goes on, small- and medium-sized businesses are likely to focus more on improving their customer experiences, which is likely to strengthen the demand for Lightspeed's easy-to-use commerce platform further. Given these positive demand growth factors, I expect LSPD stock to remain on the path of recovery in June and beyond, helping investors receive solid returns on their investments.

CATEGORY

1. Investing
2. Stocks for Beginners

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2. TSX:IFP (Interfor Corporation)
3. TSX:LSPD (Lightspeed Commerce)

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Date

2025/08/17

Date Created

2022/06/04

Author

jparashar

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