



## 3 UNDERVALUED TSX Stocks to Buy in These Uncertain Markets

### Description

Though markets have recovered a bit in the last few weeks, volatility will likely continue to haunt investors. In addition, as interest rates are still expected to rise rapidly, valuation will play a more significant role in driving shareholder returns.

So, here are three undervalued TSX stocks that offer handsome growth prospects for the long term. Also, in case of broad market weakness, these names will likely be relatively resilient, providing stability to the overall portfolio.

### Canadian Natural Resources

The Canadian energy sector has been blooming since the pandemic. The country's biggest energy titan, **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), is one bright spot in the sector. The stock has returned 95% since last year and 60% this year. Notably, despite such a steep gain, CNQ stock is still trading 11 times its earnings. This looks highly discounted and indicates a considerable growth potential.

Almost all the [oil and gas producer names](#) have seen significant financial growth in the last few years, thanks to rallying energy commodity prices. Canadian Natural was no different. It is still sitting on a strong cash balance, even after aggressively repaying debt and allocating enough for operations. So, investors can expect generous dividend hikes in the short to medium term.

Notably, oil prices are expected to remain strong, with no immediate solution to the Russia-Ukraine war and never-ending supply crunch. Even if oil prices correct meaningfully, CNQ might not see a similar correction because of its lower breakeven point, strong balance sheet, and stable dividends.

### Fortis

Utility stocks play well during market uncertainties. As a result, Canada's top utility stock, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), has been on an upward climb since the war in Europe began. Interestingly,

with inflation getting out of hand and rising rates, markets could trade more volatile, at least in the short term. So, stocks like FTS will likely remain in focus.

Fortis earns almost entire of its revenues from regulated operations, which provides fair visibility of its earnings. So, even if a recession comes, Fortis should continue to grow steadily. And that's why, driven by this stability, it has increased shareholder dividends for the last 48 consecutive years.

Investors overlook stocks like FTS because they are slow moving. However, the same feature becomes all the more valuable when broader volatility increases.

FTS stock yields 3.4%, which is in line with TSX stocks at large. From the valuation perspective, the stock does not look too stretched. However, market volatility and geopolitical tensions will likely be bigger drivers for the stock.

## B2Gold

Canadian gold miner stock **B2Gold** ([TSX:BTO](#))(NYSE:BTG) has been on a downtrend since April. However, considering increasing uncertainties on the macro front, the yellow metal might change the course, eventually lifting [gold miner names](#).

B2Gold is a \$5.5 billion miner that aims to produce a million ounces of gold this year. The company has seen a solid increase in production in the last decade, thanks to its high-quality West African mines. Also, it has also seen its all-in cost trending lower all these years, underlining its improving operational efficiency and margin expansion.

Notably, BTO stock is currently trading 11 times its earnings, which is lower than its historical average and peers as well. The relative discounted valuation indicates a decent growth potential. So, if you want to play potential rally in gold metal, BTO could be an apt pick.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:FTS (Fortis Inc.)
3. NYSEMKT:BTG (B2Gold Corp.)
4. TSX:BTO (B2Gold Corp.)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:FTS (Fortis Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Smart News
8. Yahoo CA

## PP NOTIFY USER

1. kduncombe
2. vinitkularni20

## Category

1. Investing

## Date

2025/07/17

## Date Created

2022/06/07

## Author

vinitkularni20

default watermark

default watermark