ALERT: 3 Dirt-Cheap TSX Stocks to Buy in This Choppy Market

Description

The **S&P/TSX Composite Index** was down over 500 points in late-morning trading on June 13. North American and global markets have been hammered, as central banks have moved to hike interest rates in the face of soaring inflation. Investors should be cautious in this turbulent climate, but this is also a time of opportunity. As the March 2020 market pullback showed, there is a lot of money to be made in a correction. Today, I want to zero in on three TSX stocks that look undervalued right now.

I'm buying this promising TSX stock on the dip

goeasy (TSX:GSY) is the first TSX stock I'd look to snatch up in this choppy market. This Mississauga-based company operates through three business units that offer loans to non-prime borrowers. Investors who snatched up goeasy during the 2020 market correction could have seen their original investment more than quadruple over the next year. Shares of goeasy have plunged 44% in 2022 at the time of this writing.

This company released its first-quarter 2022 results on May 11. Its total gross consumer loan receivable portfolio jumped 69% year over year to $2.15 billion. Meanwhile, operating income increased 25% to $80 million. Adjusted net income was reported at $45.8 million or $2.72 per share — up 25% and 16%, respectively, from the previous year.

Shares of this TSX stock last had a very favourable price-to-earnings (P/E) ratio of 10. It also offers a quarterly dividend of $0.91 per share, which represents a 3.7% yield. goeasy has also delivered eight straight years of dividend growth, which makes it a Dividend Aristocrat.

Don't sleep on this discounted dividend stock

Intact Financial (TSX:IFC) is a Toronto-based company that provides property and casualty insurance products to individuals and businesses in Canada and around the world. This TSX stock has increased 9.9% in 2022 as of early afternoon trading on June 13. However, its shares have dropped 2.4% in the week-over-week period.

Investors got to see the company's Q1 2022 results on May 10. Direct premiums written at Intact climbed 100% year over year to $5.09 billion. Meanwhile, underwriting income jumped 33% to $396 million. Moreover, net operating income attributable to common shareholders increased 38% from the prior year to $475 million.

This TSX stock possesses an attractive P/E ratio of 15. It last paid out a quarterly dividend of $1.00 per share. That represents a 2.2% yield.

One more undervalued TSX stock to buy today

Neighbourly Pharmacy (TSX:NBLY) is the third undervalued TSX stock I'd suggest Canadians look to snatch up ahead of the summer season. This Toronto-based company owns and operates a chain of retail pharmacies across the country. Its shares have plunged 44% so far in 2022. That has pushed the stock into negative territory in the year-over-year period.

In Q1 2022, revenues increased 55% year over year to $85.3 million. Meanwhile, adjusted EBITDA jumped 54% to $10.1 million. It delivered same-store sales growth of 8.2%. This TSX stock last had an RSI of 31, which puts it just outside technically oversold territory.

CATEGORY

1. Investing

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1. TSX:GSY (goeasy Ltd.)
2. TSX:IFC (Intact Financial Corporation)
3. TSX:NBLY (Neighbourly Pharmacy Inc.)

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