2 Cheap TSX Stocks You’ll Regret Not Buying on the Dip

Description

You don’t need to look far for discounts on the **TSX** today. There’s currently no shortage of TSX stocks trading well below all-time highs. What’s difficult to predict, though, is for how much longer many of these discounted stocks will continue to slide.

In times like these, it’s important to really examine the business you’re preparing to invest in. Not all beaten-down TSX stocks are poised for strong turnarounds. It’s the companies with strong competitive advantages and growing market opportunities that will be soon returning to outperforming the market.

With that being said, I’ve reviewed two top TSX stocks that are currently on sale. All three companies have a rich history of delivering market-beating gains but have taken a hit as of late.

For anyone looking to add some growth potential to their portfolio, either of these two top TSX stocks would be a solid choice.

TSX stock #1: WELL Health Technologies

Telemedicine was one of the hottest areas of the market in the early days of the pandemic. Today, most telemedicine stocks are trading far below all-time highs.

WELL Health Technologies (TSX:WELL) managed to return more than 400% in 2020 alone. But after topping out in early 2021, the TSX stock has trended largely downwards. Shares are currently down more than 50% from 52-week highs.

There’s no question that the telemedicine market got ahead of itself in the early days of the pandemic. COVID created a massive surge in demand for virtual health services. That demand has since dropped considerably, which explains WELL Health’s recent selloff.

But over the long term, telemedicine is a market that has enormous growth potential. And with amarket cap still under $1 billion, WELL Health could have many more years of multi-bagger gainsahead of it.

TSX stock #2: Kinaxis

Kinaxis (TSX:KXS) is another TSX stock that initially surged during the pandemic. The tech company saw its stock price nearly double in 2020, while the broader Canadian market was roughly flat. Since early 2021, shares have been mostly trading sideways, with a gradual shift downwards.

Even with all the volatility in recent years, shares of Kinaxis are still up 50% over the past five years. In comparison, the **S&P/TSX Composite Index** has returned barely over 30%.

Similar to WELL Health, Kinaxis operates in a market that I'm only expecting to grow in the coming years. The company offers its global customers a range of different software solutions for all things related to supply chain management. Inventory management, demand and supply planning, and operational logistics are just a few examples of how Kinaxis serves its customers.

With shares down 40% from all-time highs, now would be a very wise time to start a position in this top TSX stock.

Foolish bottom line

It's not an easy market to be investing in right now. Stock prices seem to only continue to spiral downwards, with an end not in sight. What makes it easier for me is to remind myself that I've got a long-term time horizon. And what's most important is the business that I'm investing in and not necessarily the stock price it's trading at today.

If you've got a timeline of at least five years or longer, WELL Health and Kinaxis are two solid TSX stocks with loads of growth potential in front of them.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:KXS (Kinaxis Inc.)
2. TSX:WELL (WELL Health Technologies Corp.)

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