Bear Market: 4 Undervalued TSX Stocks to Add Today

Description

The **S&P/TSX Composite Index** was up 145 points in early afternoon trading on June 21. The TSX Index fell into a bear market after plunging sharply to open the previous week. Today, I want to look at four TSX stocks that have fallen into undervalued territory at the time of this writing. Let's jump in.

This top REIT is worth snatching up in a bear market

Dream Office REIT (TSX:D.UN) is a Toronto-based real estate investment trust (REIT) that owns and operates office properties in major urban areas across Canada. This is a solid target, as Canadians have steadily gone back to the workplace in 2022, as the pandemic looks to be in the rear-view mirror. Shares of this REIT have dropped 19% so far this year.

Diluted funds from operations (FFO) per unit rose marginally to $0.39 in Q1 2022. Meanwhile, it reported net income of $52.3 million. This TSX stock possesses a very favourable price-to-earnings (P/E) ratio of 5.6. It offers a monthly dividend of $0.083 per share, which represents a strong 5% yield.

Commodities have slipped, but I'm still looking to buy this TSX stock

Russel Metals (TSX:RUS) is a Toronto-based metals distribution company. This TSX stock has plunged 20% in 2022. Metals commodities were on a tear in 2021 and to start 2022. However, that has fallen off sharply in the face of this bear market.

In Q1 2022, the company reported revenues of $1.33 billion — up from $1.14 billion in the previous year. Meanwhile, net earnings fell marginally to $99 million, or $1.56 per share. This TSX stock also possesses a very attractive P/E ratio of 3.7. It last paid out a quarterly dividend of $0.38 per share. That represents a very strong 5.7% yield.

Here’s another cheap TSX stock to buy in this bear market

Toromont Industries (TSX:TIH) provides specialized capital equipment in North America and around the world. Its shares have dropped 13% so far in 2022. That has pushed the stock into negative territory in the year-over-year period.

The company released its first-quarter 2022 results on April 27. It delivered revenue growth of 7% to $860 million. Meanwhile, net earnings climbed 24% year over year to $59.5 million, or $0.72 on a per-share basis. It achieved solid earnings even though bookings were down 16% from the first quarter of 2021.

This TSX stock last had a solid P/E ratio of 23. It currently possesses an RSI of 25, which puts Toromont in technically oversold territory. The stock last paid out a quarterly dividend of $0.39 per share, representing a modest 1.5% yield.

Seek exposure to green energy with this undervalued TSX stock

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is the fourth TSX stock I’d look to snatch up in this bear market. This Oakville-based company owns and operates a portfolio of regulated and non-regulated generation, distribution, and transmission utility assets in North America, Chile, and Bermuda. Shares of this TSX stock are down 6.3% in the year-to-date period.

In Q1 2022, Algonquin reported total revenues of $735 million — up 16% from the prior year. Meanwhile, adjusted net earnings increased 13% and 5%, respectively, to $141 million, or $0.21 per share. Adjusted EBITDA jumped 17% to $330 million. This TSX stock has an RSI of 29, putting Algonquin in oversold levels. It also offers a quarterly dividend of $0.181 per share. That represents a strong 5.5% yield.

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3. TSX:D.UN (Dream Office Real Estate Investment Trust)
4. TSX:RUS (Russel Metals)
5. TSX:TIH (Toromont Industries Ltd.)

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