



## Market Correction: 3 Oversold TSX Stocks to Buy Now

### Description

The [market pullback](#) continues to give [TFSA and RRSP](#) investors a chance to buy top TSX stocks at discounted prices for self-directed retirement portfolios.

### Suncor

**Suncor** ([TSX:SU](#))([NYSE:SU](#)) trades below \$44 per share at the time of writing compared to the recent high of \$53. Investors who buy the stock at the current level can pick up a solid 4.25% dividend yield and wait for the next payout increase.

WTI oil remains above US\$100 per barrel, which is a very profitable price for Suncor. The oil sands giant has low operating costs and is using excess cash to reduce debt, buy back stock, and reward patient investors with higher dividends.

Suncor stock trades at essentially the same price it fetched before the pandemic when WTI oil was US\$60 per barrel. The rebound in fuel demand is driving improved results in the refining and retail operations, so the stock appears [undervalued](#) today.

Suncor fell out of favour with investors in 2020 when it cut the dividend by 55% to protect cash flow. The board increased the payout late last year by 100% and hiked it by another 12% when the Q1 2022 numbers came out, bringing the payout to a new high. Suncor is expected to deliver very strong Q2 2022 results that could lead to another dividend increase.

The price of oil is off the 2022 high, as investors worry about the impact of a possible recession next year. Ongoing volatility should be expected, but it wouldn't be a surprise to see oil surge back above US\$120 before the end of 2022 due to steady demand growth and lack of investment across the industry to bring new production online.

### TD Bank

**TD** ([TSX:TD](#))([NYSE:TD](#)) trades near \$83 per share at the time of writing compared to \$109 earlier this year. The steep pullback means investors can now get a 4.3% yield from Canada's second-largest bank.

TD is in the process of expanding its U.S. operations through the acquisition of **First Horizon** for US\$13.4 billion. The deal will add more than 400 branches to the American division and make TD one of the top six banks in the United States.

The selloff in bank stocks looks overdone. Buying TD on a big pullback has historically provided patient investors with attractive total returns.

## Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) trades near \$44.50 compared to \$53 a few weeks ago. The plunge over the past month has occurred amid a broad-based selloff in the energy sector. While the drop in oil and natural gas prices would have an impact on producer margins, there shouldn't be a large hit for Pembina Pipeline and the other energy infrastructure companies.

Pembina Pipeline simply provides essential transmission, gathering, processing, and logistics services to the commodity producers. Volumes remain high, despite the small dip in energy prices, so Pembina Pipeline's outlook hasn't changed much, and certainly not enough to justify the huge drop in the share price.

Investors who buy the stock at the current level can pick up a 5.6% dividend yield.

## The bottom line on cheap TSX stocks to buy now

Suncor, TD, and Pembina Pipeline pay attractive dividends and currently trade at discounted prices. If you have some cash to put to work, these stocks deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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