



3 TSX Stocks to Buy Before the Market Recovers

Description

In this environment, many investors may have the urge to sell as risk picks up and stocks across the board continue to fall in value. However, no matter what your instincts or emotions might be telling you, these opportunities are some of the worst times to sell and, instead, some of the best times to look for **TSX** stocks to buy.

However, even though many investors know this is a good opportunity, sometimes they'll hold off buying stocks in case they continue to fall in price. That can be a disciplined strategy if the stocks you're watching aren't quite as cheap as you believe they should get.

However, if there are unbelievable deals to consider, and you're holding off speculating that the market may continue to sell off, that's a risky way to invest and could get you into trouble.

These significant selloffs are crucial to take advantage of, and you certainly don't want to miss the chance to buy some of the best stocks [undervalued](#). It's far better to buy just before the bottom than to miss the bottom and all these exceptional deals.

So, with that in mind, here are three of the very best TSX stocks to buy before the market recovers.

A top Canadian real estate growth stock

Plenty of high-quality REITs have lost tons of value throughout the year, with REITs focused on growth and those in the residential sector seeing some of the largest impacts. Therefore, buying a residential REIT that's also focused on growth, such as **InterRent REIT** ([TSX:IIP.UN](#)), allows investors to find one of the best deals in the real estate space.

Currently, InterRent is trading roughly 35% off its high, a significant discount for a high-quality REIT that owns highly defensive assets such as residential properties.

In addition, though, InterRent is now trading at just 0.7 times its estimated net asset value. That's down considerably from the start of the year when InterRent actually traded at a premium to its net asset

value.

Therefore, while this top growth stock, which has consistently grown investors' value, is trading so cheaply, it's one of the top TSX stocks to buy now.

One of the best TSX energy stocks to buy now

In recent weeks, energy prices have pulled back from their highs, causing energy stocks to fall significantly in value. However, despite concerns of a recession in the near term, energy prices remain much higher than they were last year.

For example, a stock like **Freehold Royalties** ([TSX:FRU](#)) has fallen more than 25% and is now trading just 10% above where it started the year. Meanwhile, oil prices are still more than 25% higher than where they began the year, and Freehold has also increased its dividend in that time.

Therefore, with the stock looking much more attractive today, continuing to earn incredible free cash flow and now offering an insane dividend yield of roughly 7.7%, it's easily one of the best TSX stocks to buy before the market recovers.

In addition, just last week, Freehold continued to acquire more U.S. land to expand its portfolio and the cash flow that it's bringing in for investors. So, it's no surprise that the average target price from analysts is over \$19.50, and a more than 50% premium to Freehold's current trading price.

One of the best Canadian growth stocks of all time

Lastly, one of the top TSX stocks to take advantage of and buy while it's cheap is **Shopify** ([TSX:SHOP](#)) ([NYSE:SHOP](#)), the massive tech stock.

Shopify has been growing exceptionally for years. And while it continues to have a long-term runway for growth over the coming decades, in the very near term, it faces significant headwinds from the market environment.

But while these headwinds impact the demand for Shopify stock today and consequently its valuation, it's easily one of the best TSX stocks to buy for investors who have the patience to wait for it to come back into favour.

Currently, Shopify trades at just 6.6 times its forward [sales](#), well below its three-year average of nearly 30 times and its average since its IPO of 19.4 times.

Therefore, while this high-quality e-commerce business trades unbelievably cheaply, it's certainly one of the top TSX stocks to buy before the market recovers.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:IIP.UN (InterRent Real Estate Investment Trust)
4. TSX:SHOP (Shopify Inc.)

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