Buy the Dip: 2 Cheap TSX Stocks to Buy in a Bear Market

Description

As a long-term investor, I'm not letting the market's recent volatility stop me from putting my cash to work right now. In fact, I'm putting even more money into the market today than I was earlier this year. There's a surplus of high-quality **TSX** stocks currently trading at discounts that I'm looking to take advantage of.

The S&P/TSX Composite Index is trading at a loss of close to 15% year to date. The majority of those losses have come within the past three months, where the index has suffered two 10% pullbacks.

A key reason why I'm confidently snatching up discounted TSX stocks right now is due to my timeline. I don't plan on selling my positions for at least the next decade. So, whether or not stocks continue to slide for the next several months won't have nearly as much of an impact on me compared to a short-term investor.

I've reviewed two opportunistically cheap TSX stocks that are high up on my watch list today.

Descartes Systems

For a growth stock in the tech sector, **Descartes Systems** (TSX:DSG)(NASDAQ:DSGX) has performed impressively well this year. Shares have only slightly lagged the market's returns in 2022 and are still up a market-crushing 170% over the past five years. In comparison, the Canadian market has returned less than 30%.

Since the early days of the pandemic, the company has been experiencing a surge in demand for its services.

Descartes Systems provides a range of cloud-based logistics and supply chain management solutions to its global customers. The primary objective of the company's technology is to improve productivity and performance of its customer's logistics and supply chain operations.

At a market cap of less than $10 billion, I'd still consider Descartes Systems more an under-the-radar growth stock in the tech sector. But with a growing market share in an increasingly important market, I don't think it will be long before the company is a household name amongst Canadian investors.

Now trading just about 25% below 52-week highs set in late 2021, I wouldn't bank on this discounted price lasting much longer.

goeasy

goeasy (TSX:GSY) is a TSX stock that I'd consider a true under-the-radar company. The growth stock has returned close to 250% over the past five years and is still only valued at a market cap of $1.5 billion.

It's been a rough year for the company in 2022, though. Shares have dropped more than 40% year to date and are trading more than 50% below 52-week highs.

As a consumer-facing financial lender, it's no surprise that the recent increases in interest rates have negatively impacted the stock. Higher rates can expectedly lead to less consumer borrowing, which in turn means less demand for goeasy's services.

For short-term investors, there likely wouldn't be much interest in this TSX stock. But for long-term investors with time on their side, this is a rare buying opportunity that you'll be thanking yourself in a decade for taking advantage of today.

Interest rates will eventually drop back down. It may take months, even or more than a year, but as that happens, consumer spending will gradually rise.

goeasy has a long track record of delivering market-beating gains. This certainly isn't the company's first challenging market environment that it's faced. There's no doubt in my mind that the company will be able to weather this storm and return to its market-beating ways sooner rather than later.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:DSG (The Descartes Systems Group Inc)
3. TSX:GSY (goeasy Ltd.)

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