3 Simple TSX Stocks to Buy With $25 Right Now

### Description

Thanks to free stock trading at platforms like Wealthsimple and **National Bank of Canada**, investors can start buying stocks, even if they only have $25 to spare. Here are three simple **TSX** stocks that are simply too cheap to ignore.



## This gold stock is cheap

**Newmont** (TSX:NGT)(NYSE:NEM) reported mixed second-quarter results as well as its updated outlook yesterday, which triggered a selloff of almost 14% in the gold stock. The company realized an average gold price of US$1,836 per ounce for the quarter. However, gold prices have been weak in the last few months, hitting a high of about US$2,050 per ounce. At writing, the gold spot price stood at US$1,718.

Additionally, in the earnings call, management pointed out cost pressures, "including the impact from Russia's invasion of Ukraine, increasingly competitive labour market, and the highest global inflation rates our world has seen in nearly 40 years." Specifically, the company is "anticipating an additional 7% of cost escalation this year. That is on top of the 5% [it] had already included in [its] full-year outlook established last December. Around one-third of this increase is related to labour costs."

A compression of commodity prices and higher costs will result in lower margins. That said, Newmont is a relatively well-run, large-cap gold miner, which may interest investors who wish to own a small portion of their investment portfolios in gold for diversification purposes.

The selloff brings the value stock to an attractive valuation with the 12-month analyst consensus price target suggesting a substantial discount of 39%. At US$44.59 per share at writing, the gold stock yields 4.9%. Other than coverage from earnings and cash flows, the company also has some retained earnings that could help protect its dividend (for about 1.8 years).

## Bank of Nova Scotia stock yields 5.4%

The investment proposition for **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) stock is crystal clear. It's a large Canadian bank stock that pays a safe dividend yield of about 5.4%. Its payout ratio is estimated to be sustainable at about 47% this year. Moreover, it has remained profitable through economic cycles, despite earning lower profits during recessions. The company also has a strong retained earnings reserve that could help protect its dividend for about a decade!

At $75.74 per share at writing, the stable bank stock trades at about 8.9 times earnings. This is a meaningful discount of about 25% from its long-term normal valuation. A high yield and stable earnings growth and valuation expansion over the next five years can lead to outsized annualized returns of about 14%.

## Great-West Lifeco stock offers a juicy yield of 6.4%

If you like Scotiabank's yield, you would probably like **Great-West Lifeco** (TSX:GWO) stock's higher dividend yield even more. Life insurance companies aren't as profitable as banks, which may be why the market commands a bigger dividend yield of close to 6.4% from Great-West Life.

Looking at its 20-year earnings history, the life insurance company has also been profitable through economic cycles. Its payout ratio is estimated to be sustainable at about 54% this year. Moreover, the company has retained earnings that could help protect its dividend for about 8.5 years.



Valuation-wise, GWO stock trades at about 8.6 times earnings, which is a substantial discount of approximately 29% from its long-term normal valuation.

**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:NEM (Newmont Mining Corporation)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:GWO (Great-West Lifeco Inc.)
5. TSX:NGT (Newmont Mining Corporation)

**PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

**PP NOTIFY USER**

1. kayng
2. kduncombe

**Category**

1. Investing

**Date**
2025/08/12
**Date Created**
2022/07/26
**Author**
kayng