



Dirt-Cheap Stocks: 3 Bargains I've Been Buying

Description

There's no shortage of bargains in the stock market this year. Assets have taken a beating due to rising interest rates, and many value opportunities are presenting themselves. In many cases, the cheapest stocks also offer high dividend yields and the potential for strong growth. In this article, I will explore three [dirt-cheap bargain stocks](#) I've been buying in 2022.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is an oil stock I have bought and sold twice this year. I do not currently own SU but have earned profits by trading it. It is very cheap, trading at just 1.5 times the net value of its assets, 9.8 times earnings, and 4.8 times cash flows.

Suncor Energy benefits from the high oil prices we're seeing this year. As an oil explorer, it makes its money by extracting and selling crude oil. It also sells gasoline directly to consumers at the pump. These business activities become more lucrative when oil prices are high. When crude oil prices rise, Suncor can charge higher prices to buyers. Gasoline tends to rise when oil prices rise, too, giving Suncor the ability to make more money off its Petro-Canada gas stations.

We can see the effect of high oil prices on Suncor by looking at its most recent quarter. In the first quarter, SU grew its revenue by 55% and its profit by 259%. It was a very strong showing from one of Canada's best oil companies.

TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is a Canadian bank stock that trades at less than 10 times earnings. It operates in both Canada and the United States. TD's U.S. retail operations have been a major growth driver over the years, powering growth well in excess of that offered by the average Canadian bank.

In its most recent quarter, TD managed to deliver [positive earnings growth](#), which few banks did in the

same period. The growth was not spectacular, but it was above average compared to TD's peer companies. Overall, it was a solid showing for one of Canada's best banks.

Micron Technology

Micron Technology ([NASDAQ:MU](#)) is a tech stock that, compared to similar companies, is mind-blowingly cheap. Trading at just seven times earnings, 1.4 times book value, and two times sales, it is among the cheapest tech stocks you will find anywhere. Of course, there's a reason for this.

In its most recent earnings release, Micron predicted that its earnings would decline in the following quarter. The U.S. economy is currently slowing down, and Micron is expecting reduced sales and lower RAM prices as a result. That is a risk factor for the company, but the stock is already so cheap that much of this is likely priced in. After Micron put out the statement saying it would see its sales slow in the quarters ahead, it proceeded to rally for several weeks straight. It was a strong showing for a stock that is priced like it's going out of business.

Foolish takeaway

The stock market is turbulent this year, but for long-term investors, that's an opportunity, not a danger. When you buy quality stocks while they're down, you often end up thanking yourself later. I plan to continue buying the dip.

CATEGORY

1. Investing

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1. NASDAQ:MU (Micron Technology, Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

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