3 Dirt-Cheap TSX Stocks to Buy Today

Description

The **S&P/TSX Composite Index** dropped 136 points on Monday, August 22. Energy was the only sector that finished the day in the black, while the health care, information technology, and financial sectors suffered the sharpest retreats. Today, I want to look at three TSX stocks that look cheap and worth picking up on the dip. Let's jump in.

This TSX stock is still undervalued in late August

CAE (TSX:CAE)(NYSE:CAE) is a Montreal-based company that provides simulation training and critical operations support solutions to a global client base. Investors should be eager to get in on the aerospace and defence sectors. Shares of this TSX stock have plunged 22% in 2022 as of close on August 22. The stock has now declined 28% in the year-over-year period.

This company released its first-quarter (Q1) fiscal year (FY) 2023 earnings on August 10. Revenue rose to $933 million compared to $752 million in the first quarter of fiscal 2022. However, operating income more than halved to $39.4 million. CAE's Defence sector missed expectations and was a drag on its Q1 FY2023 earnings. However, it expects solid order bookings to lead to a solid rebound in the quarters to come.

Shares of this TSX stock are trading in favourable value territory relative to its industry peers. Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a security. CAE last had an RSI of 25. That puts CAE in technically oversold territory.

Here's a dirt-cheap REIT that offers a monster dividend

Melcor REIT (TSX:MR.UN) is an Edmonton-based real estate investment trust (REIT) that is focused on the acquisition, management, and leasing of commercial properties in western Canadian markets. This TSX stock has dropped 11% in 2022 as of close on August 22. That has represented the bulk of its losses in the year-over-year period.

Investors got to see Melcor's second-quarter fiscal 2022 earnings on July 26. Revenues rose 1% year over year to $18.1 million. Meanwhile, net operating income (NOI) dropped 2% to $11.3 million. Melcor's occupancy was reported at a very solid 87%.

This cheap TSX stock last had a solid P/E ratio of 21. That puts Melcor in better value territory than the industry average. The REIT currently offers a monthly dividend of $0.04 per share. That represents a monster 7.9% yield.

One more TSX stock I'd buy on the dip before the summer ends

Enthusiast Gaming (TSX:EGLX)(NASDAQ:EGLX) is the third and final TSX stock I'd look to snatch up on the dip in late August. This Toronto-based company is engaged in the media, content, entertainment, and esports businesses in North America and around the world. Its shares have plummeted 45% in the year-to-date period. The stock is down 66% from the same period in 2021.

It posted revenue growth of 38% to $51.1 million. Meanwhile, gross profit jumped 91% to $15.3 million. Moreover, direct sales surged 111% to $9.3 million. Canadian investors should seek exposure to the burgeoning esports space. This TSX stock is trading in favourable value territory at the time of this writing. Enthusiast last had an RSI of 33, putting it just outside of technically oversold territory.

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1. NYSE:CAE (CAE Inc.)
2. OTC:EGLX.F (Enthusiast Gaming)
3. TSX:CAE (CAE Inc.)
4. TSX:EGLX (Enthusiast Gaming Holdings Inc.)
5. TSX:MR.UN (Melcor Real Estate Investment Trust)

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