



2 TSX Stocks to Buy With P/E Ratios Under 10

Description

So far this year, many **TSX** stocks have been falling in value as analysts' estimates for future earnings decline. However, as volatility picks up and investors grow increasingly concerned about the uncertainty, valuation metrics have also been impacted. That's why there are so many TSX stocks to buy now.

In some cases, companies have seen their market value more than halve this year, creating a tonne of stocks with forward [price-to-earnings](#) (P/E) ratios that are now below 10 times.

Therefore, you can find high-quality TSX stocks to buy now that trade cheap. As these stocks recover their earnings over the coming years, investors have the opportunity to see a considerable [return on investment](#).

So if you're looking to take advantage of the current market environment, here are two top TSX stocks to buy now.

One of the best growth stocks in Canada

Although plenty of TSX stocks are trading at a discount today, **goeasy** ([TSX:GSY](#)) is one of the best you can buy. The specialty finance stock has long been an outstanding growth stock, and it continues to offer significant potential over the long haul. Therefore, while it trades cheaply in this environment, it's certainly worth consideration.

Notably, goeasy stock has sold off because investors are worried about how a recession may impact its business. The lender offers loans mainly to borrowers with below prime credit ratings, making it a higher-risk business, particularly in a recession.

Goeasy's financials are incredible, though. And its charge-off rate would need to more than double before its profitability came close to being under pressure.

So while the stock trades below 10 times, its forward earnings still offer substantial growth potential

over the coming years. GSY is undoubtedly one of the best TSX stocks to buy now.

Not only is it trading at 9.1 times, its next 12 months' earnings, but in 2023 and 2024, it's also expected to report earnings per share (EPS) of more than \$14.98 and \$18.06, respectively. So while the stock is trading below \$120 a share today, GSY is certainly a compelling investment.

Plus, on top of all this growth potential and value goeasy offers today, the company pays an attractive dividend. Currently yielding over 3%, the dividend has more than doubled in the last two years and grown by over four times in the last four years.

So if you're looking for top TSX stocks to buy now, goeasy is certainly one of the best to consider.

One of the top TSX stocks to buy while it's cheap

Another incredible stock to buy and hold for the [long haul](#) is **Canadian Tire** ([TSX:CTC.A](#)). So while it trades ultra-cheap, there's no question CTC is one of the best TSX stocks to buy now.

Canadian Tire has long been one of the best-known brands in Canada, and in recent years its retail operations have performed exceptionally well.

The company has leveraged its ultra-popular loyalty program with new technology. And the popular Canadian retailer is growing its e-commerce platform to continue driving more sales. Meanwhile, it continues to improve its merchandising and cross-selling across its many banners, which has resulted in strong performance from the stock.

And just like goeasy, Canadian Tire is not only cheap relative to its expected earnings over the next 12 months but going forward, the retailer is expected to continue growing its sales and profitability. Therefore, buying today while the stock trades below \$160 and pays you a more than 4.1% dividend to hold is a compelling proposition.

The retail stock currently trades at a forward P/E ratio of just 8.6 times, making it one of the best TSX stocks to buy. That's well below its five-year average of just 11.8 times.

Plus, considering that its EPS is expected to grow to \$19.47 in 2023 and \$21.38 in 2024, Canadian Tire is clearly a high potential investment today at roughly \$155 a share.

So if you've been looking for the best TSX stocks to buy in this environment, Canadian Tire is certainly one to keep your eye on.

CATEGORY

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2. Top TSX Stocks

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation)
2. TSX:GSY (goeasy Ltd.)

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