3 TSX Stocks That Are Fantastic Deals Right Now

Description

After a strong summer bounce, TSX stocks are once again on the decline. Certainly, nobody enjoys a bear market. However, you don't need to enjoy a bear market in order to profit from it.

Be greedy when others are fearful

If you look back at history, any significant bear market turned out to be an ideal buying opportunity for long-term investors. Bear markets always feel like terrible times to invest. However, they are the times when high-quality businesses go on sale and smart investors can load up at very attractive prices.

That is why Warren Buffett famously reminds investors to "be fearful when others are greedy and greedy when others are fearful." If you are looking to be greedy when the market is fearful, here are three TSX stocks that are fantastic deals right now.

A top TSX dividend stock

If you are looking for dividends, **Enbridge** (TSX:ENB)(NYSE:ENB) is a perfect stock to consider. In the past six months, its stock has pulled back nearly 4%. Right now, this TSX stock is yielding a 6.3% dividend. That is one of the highest dividend yields on the **TSX 60 Index**.

Enbridge looks well positioned in this environment. There is an energy crisis across the world, and demand for North American oil and gas is incredibly high. That should eventually translate into more throughput and more fee revenue from its assets.

In the meantime, its current assets are contracted or regulated, so its baseline of cash flows support its attractive dividend. Given its large development pipeline, this TSX stock should still see mid-single-digit earnings and dividend growth in the coming few years ahead.

A top Canadian value stock

Richards Packaging Income Fund (TSX:RPI.UN) operates a pretty boring packaging and container distribution business across North America. Yet this TSX stock has delivered exceptional 20% annual average returns to shareholders over the past decade. That equates to a 488% total return, even after the stock has declined 29% this year.

While sales have pulled back and normalized after a pandemic boon, the company acquired an intriguing medical device distribution business that is helping to offset the decline.

The company earns a lot of consistent excess cash. It distributes this in a monthly dividend that equates to a 3% yield. This TSX stock only trades for 12 times earnings and 10 times free cash flow, which looks like a bargain today.

A top TSX growth stock

Speaking about exceptional long-term returns, you can't find much better than **Constellation Software** (TSX:CSU). Despite its stock being down 17% this year, it has earned shareholders a whopping 1,836% return over the past decade.

Constellation acquires niche vertical market software businesses around the world. Considering a global recession may be imminent, it will have plenty of opportunities to sweep up software businesses at attractive valuations. The company has a great balance sheet and incredibly smart managers, so I suspect it can earn elevated rates of return from this.

With a price-to-earnings ratio of 24, this TSX stock is almost never cheap. However, any time that you can buy it on a substantial pullback has been a good entry point for the long term.

The bottom line

The recent TSX bear market can be a blessing to long-term Canadian investors. You can build a diversified portfolio of stocks while they are relatively cheap and enjoy the profits when the next bull market returns.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RPI.UN (Richards Packaging Income Fund)

Footer Tagline

PARTNER-FEEDS

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

PP NOTIFY USER

1. kduncombe
2. robbybrown

Category

1. Investing
2. Stocks for Beginners

Date
2025/08/14
Date Created
2022/09/22
Author
robbybrown

Footer Tagline