BUY ALERT: 3 TSX Stocks to Buy for Dirt Cheap

Description

The **S&P/TSX Composite Index** was down 212 points in early afternoon trading on September 29. Canadian and United States indexes have been throttled in the second half of September. Still, frustrated investors should be on the hunt for opportunities in this bout of turbulence. Today, I want to look at three TSX stocks that are discounted and hold nice potential for the future. Let's jump in.

This undervalued TSX stock is a top regional bank out west

Canadian Western Bank (TSX:CWB) is an Edmonton-based regional bank stock. Its shares have plunged 38% in 2022 at the time of this writing. That has made up the bulk of this TSX stock's losses in the year-over-year period.

This bank unveiled its third-quarter fiscal 2022 earnings on August 26. It delivered revenue growth of 3% to $272 million. Meanwhile, loans and branch-raised deposits both increased 9% compared to the third quarter of fiscal 2021. Top financial institutions have been challenged in this rate-tightening environment. Credit growth has slowed, but profit margins are also set to improve due to interest rate hikes.

Shares of this TSX stock currently possess a very favourable price-to-earnings (P/E) ratio of 6.1. Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a security. This TSX stock last had an RSI of 30, putting it just outside of technically oversold territory.

Here's a green energy beast worth snagging on the dip

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is an Oakville-based company that owns and operates a portfolio of regulated and non-regulated generation, distribution, and transmission utility assets. This TSX stock has dropped 15% in 2022. Its shares are now down 18% in the year-over-year period. Investors should seek exposure to green energy stocks that are undervalued right now.

The company released its second-quarter fiscal 2022 results on August 11. It delivered revenue growth of 18% to $624 million. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. This measure aims to give a better picture of a company's profitability. Algonquin last posted adjusted EBITDA of $289 million — up 18% from the previous year. Meanwhile, adjusted net earnings jumped 19% year over year to $109 million.

This TSX stock is trading in favourable value territory compared to its industry peers. Shares possess an RSI of 10, putting the stock well into technically oversold levels. It last paid out a quarterly dividend of $0.181 per share, which represents a tasty 6% yield.

One more dirt-cheap TSX stock to target in late September

Cargojet (TSX:CJT) is the third and final undervalued TSX stock I'd look to snatch up in the face of this bear market. This Mississauga-based company provides time-sensitive overnight air cargo services. Shares of this TSX stock have dropped 27% so far in 2022.

In the second quarter of 2022, Cargojet posted net earnings of $160 million — up from a net loss of $11.1 million in the second quarter of fiscal 2021. Meanwhile, adjusted EBITDA rose to $81.1 million compared to $67.4 million in the prior year. This TSX stock currently possesses an attractive P/E ratio of 10. It is trading just outside of oversold levels with an RSI of 30.

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CJT (Cargojet Inc.)
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