3 TSX Stocks I'd Buy in Today's Bear Market

Description

The **S&P/TSX Composite Index** was down 131 points in early afternoon trading on October 19. This comes after Canadian markets have bounced back nicely in recent trading sessions. Some of the worst-performing sectors on the day included health care, battery metals, and information technology. Today, I want to zero in on three TSX stocks that I'm looking to buy in this bear market. Let's jump in.

I'm stoked to add this TSX stock on the dip

Cargojet (TSX:CJT) is a Mississauga-based company that provides time-sensitive overnight air cargo services in Canada. Shares of this TSX stock have plunged 25% in 2022 at the time of this writing. The stock is down 38% year over year.

Investors can expect to see Cargojet's third-quarter fiscal 2022 earnings before markets open on October 31. In the second quarter (Q2) of 2022, the company delivered total revenues of $246 million — up 43% from the previous year. Meanwhile, revenues jumped 44% to $480 million in the first six months of fiscal 2022. Net earnings rose to $160 million compared to an $11.1 million net loss in Q2 2022. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. Cargojet posted adjusted EBITDA growth of 20% to $81.1 million in the most recent quarter.

Shares of this TSX stock currently possess a favourable price-to-earnings (P/E) ratio of 11. Meanwhile, it offers a quarterly dividend of $0.286 per share. That represents a modest 0.9% yield.

Here's a top bank stock that you need to snag in this bear market

Scotiabank (TSX:BNS) is the fourth largest of the Big Six Canadian bank stocks. Its shares have dropped 28% in the year-to-date period. The bank stock is down 19% compared to the same time in 2021.

The next bank earnings season is set for late November and early December. Scotiabank released its Q3 fiscal 2022 earnings on August 23. Total revenue fell marginally to $7.79 billion compared to $7.75 billion in the prior year. Meanwhile, adjusted net income rose to $2.61 billion compared to $2.56 billion in the third quarter of fiscal 2021. It delivered solid growth in its Canadian and International Banking segments, but there are significant signs of a slowdown as the banking sector battles broader headwinds.

This TSX stock last had a very attractive P/E ratio of 7.7. Scotiabank offers a quarterly dividend of $1.03 per share. That represents a tasty 6.3% yield. This is my top bank stock to snag on the dip right now.

One more TSX stock I'd snatch up for cheap right now

TransAlta Renewables (TSX:RNW) is a Calgary-based company that develops, owns, and operates renewable power-generation facilities. This TSX stock has plunged 28% so far in 2022. Shares are down 31% from the previous year.

In Q2 2022, the company achieved adjusted EBITDA growth of 30% to $126 million. Meanwhile, free cash flow jumped 23% to $87 million. In the first six months of the fiscal year, TransAlta reported adjusted EBITDA of $265 million compared to $220 million in the year-to-date period in 2021.

Shares of this TSX stock are still trading in favourable value territory compared to its industry peers with a P/E ratio of 30. It pays out a monthly distribution of $0.078 per share, representing a monster 7% yield.

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