



2 Cheap TSX Stocks to Buy Hand Over Fist and 1 to Avoid

Description

Stocks are worthwhile investments over the long term, but expect some losses during a [bear market](#) or when volatility is high. Remember also that risks are ever present in the stock market. You could lose more than what you invested with the wrong choices.

If you're investing today, you can snag several good stocks at relatively low prices. **Chemtrade Logistics** ([TSX:CHE.UN](#)) and **NorthWest Healthcare Properties** ([TSX:NWH.UN](#)) are cheap options you can buy hand over fist. However, be wary or better avoid crypto miner **Hut 8 Mining** ([TSX:HUT](#)) for now.

Strong market fundamentals

Chemtrade Logistics is still price friendly at \$7.84 per share, considering its +8.63% year-to-date gain and a 52-week high of \$9.19. Meanwhile, the stock is popular with income investors because of its high yield. The current dividend offer is 7.98%. Since the payout is monthly, a \$15,680 investment (2,000 shares) will produce \$104.27 in passive income every month.

This \$866.76 million company provides industrial chemicals and services to clients in North America. In the third quarter (Q3) of 2022, revenue, cash flows from operating activities, and distributable cash increased 42%, 76%, and 327% year over year to \$519.9 million, \$143.5 million, and \$82.5 million, respectively.

Net earnings reached \$75.3 million compared to the \$20.1 million net loss in Q3 2021. Scott Rook, Chemtrade's president and chief executive officer (CEO), said the company is capitalizing on the favourable end-market tailwinds. He added, "We continue to see broad-based strength in market fundamentals across the majority of our diverse product set."

While there are concerns about a potential economic downturn in 2023, management is confident that Chemtrade's resilient portfolio and its defensive nature can overcome the headwinds.

Top real estate investment

NorthWest Healthcare has remained a top-of-mind choice in the [real estate sector](#) since rising to prominence in 2020 during the coronavirus breakout. The \$2.65 billion real estate investment trust (REIT) owns high-quality healthcare infrastructure assets, such as medical office buildings, hospitals, and clinics.

Apart from the defensive nature of its inflation-indexed property portfolio, NorthWest is the only REIT in the cure sector. At \$11 per share (-15.98 year to date), the real estate stock trades at a discount, although the super-high 7.37% dividend can compensate for the depressed price.

Tough year for cryptos

Tech companies, including [cryptocurrency-related businesses](#), are reeling from high inflation and rising interest rates. Hut 8 Mining trades at \$2.97 per share and is down 70.09%. Had you invested \$5,000 at year-end 2021, your money would be worth only \$1,495.47 today.

The rock-bottom price is tempting, but it's a steep 85.6% drop from its 52-week high of \$20.61. This \$577.38 million company is one of North America's digital asset mining pioneers. In the first half of 2022, total revenue climbed 48.3% year over year to \$97.17 million.

However, the net loss reached \$32.36 million compared to the \$15.09 net income in the same period last year. Still, its CEO Jaime Leverton said the continued growth of its digital asset mining operations and **Bitcoin** reserves had positioned Hut 8 well to drive future success.

No immunity from volatility

Chemtrade and NorthWest Healthcare aren't immune to market volatility, although the dividend payments should be sustainable, even if share prices drop. However, the recovery of Hut 8 might take time, especially if the rate-hike cycles continue for a while.

CATEGORY

1. Investing

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1. TSX:CHE.UN (Chemtrade Logistics Income Fund)
2. TSX:HUT (Hut 8 Mining)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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