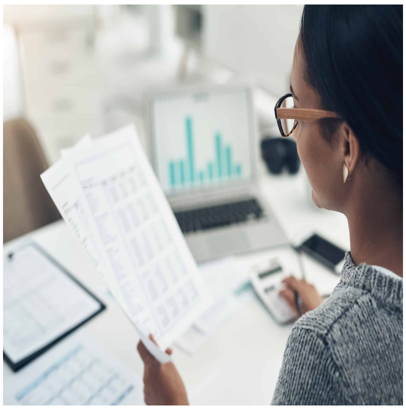

2 Undervalued TSX Stocks Worth Buying Right Now

Description

While there are a lot of TSX stocks out there that might be considered cheap right now, not all are undervalued. And even less are worth buying. Today, I'm going to cover two undervalued TSX stocks that are absolutely worth your time. Each has the strong fundamentals you want, while also maintaining a cheap share price. So, let's get into it.

CIBC

Of all the Big Six banks, **Canadian Imperial Bank of Commerce** (TSX:CM) has fallen the most, with CIBC stock down 24% in the last year. Yet it now offers the most value among these TSX stocks — especially if you're interested in passive income.

CIBC stock currently trades at just 8.86 times earnings, making it well within value territory. And with shares so low, you can lock up a dividend yield currently at 5.77%! What's more, after its stock split the bank offers a cheaper share price than the rest of the Big Six as well.

So, why hasn't the stock been doing so well? Analysts point out that until the housing market improves, it's going to be difficult for the company to continue on the growth path. However, it wasn't alone. All the banks received pressure during this time, though CIBC stock traditionally has some of the highest housing exposure.

That being said, analysts did also point out the bank has higher-than-expected provisions for credit losses. That is to say, it hasn't been as bad as anyone expected. Even so, there's still a long way to go in the next few months that could harm the share price.

Yet long-term holders should certainly consider CIBC stock. You can grab that dividend at a cheap price, and it'll be one of the TSX stocks to eventually recover completely. Look back at its long history for proof.

Canadian Tire

Another one of the TSX stocks investors shouldn't ignore any longer is undervalued **Canadian Tire** (TSX:CTC.A). Canadian Tire stock came to the forefront during the pandemic, proving its on-site storage locations were incredibly beneficial during supply-chain disruptions.

Furthermore, it managed to increase its e-commerce arm many times over. And yet now, it's one of the stocks related to the e-commerce drop, with shares down 10% in the last year alone. That's put it well within value territory, trading at 9.47 times earnings as of writing.

Yet again, you can therefore lock up another dividend yield at higher levels of 4.4% as of writing. And this is definitely a stock you want to lock up, if analysts are to be believed. Long-term investors should be "rewarded" in the words of one analyst. With many others marking the stock as an "outperformer."

While there could be "near-term turbulence" during a recession, long-term investors have seen shares climb back up quickly. This comes from performing well even during a downturn, yet fear continues to put pressure on shares. In fact, Canadian Tire stock has taken the moment to buy back shares!

So, as with CIBC stock, if you're looking for undervalued TSX stocks to hold longer than just a few months, I would certainly throw Canadian Tire stock in that pile.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CM (Canadian Imperial Bank of Commerce)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
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4. Msn
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