



3 Cheap Stocks I'd Buy Before the Market Erupts

Description

The **S&P/TSX Composite Index** fell 29 points on Wednesday, January 25. Industrials and energy were the worst-performing sectors on the day. Meanwhile, information technology and base metals sectors finished the day in the black. Today, I want to target three [cheap stocks](#) that are well positioned to reward investors in the months ahead. Let's jump in.

Here's a dirt-cheap energy stock I'm looking to snatch up before February

Vermilion Energy ([TSX:VET](#)) is a Calgary-based company that is engaged in the acquisition, exploration, development, and production of [petroleum and natural gas](#) in North America, Europe, and Australia. Shares of this cheap stock have climbed 4.3% year over year as of close on January 25. However, the stock has dipped 2.7% so far in the new year.

Investors can expect to see this company's fourth-quarter and full-year fiscal 2022 earnings in early March 2023. Vermilion released its third-quarter FY2022 results on November 9. It reported funds flow from operations (FFO) of \$508 million, or \$3.10 per basic share — up 12% from the second quarter of fiscal 2022. Meanwhile, Vermilion posted net earnings of \$917 million, or \$5.61 per share, in the first three quarters of FY2022 — up from \$804 million, or \$5.00 per basic share, for the year-to-date period in the previous year.

Shares of this cheap stock possess a very favourable price-to-earnings (P/E) ratio of 2.7. That puts Vermilion in much better value territory compared to its industry peers. Meanwhile, it offers a quarterly dividend of \$0.08 per share. That represents a modest 1.5% yield.

Don't sleep on this undervalued bank stock right now

Canadian Imperial Bank of Commerce ([TSX:CM](#)) is the second cheap stock I'd look to snatch up in late January 2023. CIBC is the fifth largest of the Big Six Canadian [bank stocks](#). That should not

dissuade investors from snatching up this stock today. Its shares have plunged 27% year over year. However, the bank stock has jumped 5.4% so far in 2023.

This bank is set to unveil its first batch of fiscal 2023 earnings in late February. In fiscal 2022, CIBC's earnings were a mixed bag in the face of major challenges. The bank's Canadian Commercial Banking and Wealth Management segment posted adjusted net income growth of 14% to \$1.89 billion for the full year. Meanwhile, adjusted net income in Canadian Personal and Business Banking dipped 4% to \$2.39 billion.

CIBC stock last had an attractive P/E ratio of 8.7. This bank stock currently offers a quarterly distribution of \$0.85 per share, which represents a very strong 5.8% yield.

One more energy stock that looks cheap in this uncertain market

Tourmaline Oil ([TSX:TOU](#)) is the third and final cheap stock I'd look to snatch up in the final trading days of January. This Calgary-based company acquires, explores for, develops, and produces oil and natural gas properties in the Western Canadian Sedimentary Basin. Shares of this cheap stock have soared 45% over the past year. However, the stock has dropped 1.2% in the new year.

Investors can expect to see Tourmaline's final batch of fiscal 2022 earnings in early March 2023. In the third quarter of 2022, the company delivered before-tax cash flow of \$1.05 billion — up 38% from the third quarter of fiscal 2021. Meanwhile, it posted free cash flow of \$568 million, or \$1.65 per diluted share.

Shares of this cheap stock possess a very attractive P/E ratio of 3.8. It increased its quarterly base dividend to \$0.25 per share, representing a 1.5% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CM (Canadian Imperial Bank of Commerce)
2. TSX:TOU (Tourmaline Oil Corp.)
3. TSX:VET (Vermilion Energy Inc.)

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. aocallaghan
2. kduncombe

Category

1. Investing

Date

2025/06/28

Date Created

2023/01/28

Author

aocallaghan

default watermark

default watermark