



## Worried About the Stock Market? These 3 Cheap Stocks Have Things All Buttoned Up

### Description

Year to date, the **S&P/TSX Composite Index** rose by 6.8%. The signs of inflation cooling down and a lower interest rate hike by the Federal Reserve of the United States appear to have improved investors' sentiments, driving the index higher. However, the ongoing geopolitical tensions and higher interest rates could hurt global economic growth. So, given the uncertain environment, it is prudent to invest in stocks trading at a cheaper valuation. The following three Canadian stocks are worth a gander.

### Suncor Energy

**Suncor Energy** ([TSX:SU](#)) is an integrated [energy company](#) that has witnessed solid buying over the last 14 months. The SU stock price has risen by over 50% since the beginning of 2022. Despite the rise, the company is trading at a cheaper valuation, with its NTM (next 12 months) price-to-sales and NTM price-to-earnings multiples at 1.2 and 7.1, respectively.

Given its integrated energy business and low-decline, long-life assets, Suncor Energy could break even at WTI (West Texas Intermediate) oil trading at around US\$35/barrel. Meanwhile, oil prices are around US\$79 per barrel. Further, analysts expect the prices to rise amid supply concerns and increasing demand. Additionally, the company's capital investments, optimization initiatives, and lowering of debt levels could boost its financials in the coming quarters.

Supported by solid cash flows, Suncor Energy raised its dividends twice last year. It currently pays a quarterly dividend of \$0.56/share, with its yield for the next 12 months at 4.55%. So, considering its attractive valuation, favourable market conditions, and healthy dividend yield, I am bullish on Suncor Energy.

### NorthWest Healthcare Properties REIT

[REITs](#) (real estate investment trusts) have been under pressure over the last few months due to rising

interest rates. Amid the weakness, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), which acquires and manages healthcare properties, has also witnessed substantial selling. It currently trades over 32% lower than its 52-week high, while its price-to-earnings multiple stands at a juicy 8.5.

Meanwhile, NorthWest Healthcare has created a joint venture with a U.K.-based institutional investor to expand its footprint in the United Kingdom healthcare real estate space. Looking forward, its highly defensive and diversified healthcare portfolio, government-backed tenants, and long-term lease agreement could stabilize its cash flows. So, I believe the company's payouts are safe. With a monthly dividend of \$0.06667/share, its forward yield stands at a juicy 8.2%, making it an excellent buy in these uncertain market conditions.

## TC Energy

**TC Energy** ([TSX:TRP](#)), which reported solid fourth-quarter earnings today, would be my third pick. Its adjusted EPS (earnings per share) came in at \$1.11, which was higher than analysts' expectations of \$1.09. The company placed around \$5.8 billion of projects into service last year. Notably, strong demand and substantial utilization of its assets drove its financials. Year over year, the company's EPS grew by 5.7%. It also generated an adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) of \$2.7 billion.

Meanwhile, TC Energy's management expects to put around \$6 billion of projects into service this year. Along with these new projects, higher utilization of its assets amid growing LNG (liquefied natural gas) exports from North America could continue to drive its financials in the coming quarters. So, the company is projecting its 2023 EBITDA to grow by 5-7%.

Amid its solid financials and healthy cash flows, TC Energy has raised its quarterly dividend by 3.3% to \$0.93, with its yield for the next 12 months standing at 6.7%. Despite its growth prospects and high dividend yield, the company trades at 13.1 times analysts' projected earnings for the next four quarters.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:SU (Suncor Energy Inc.)
3. TSX:TRP (TC Energy Corporation)

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