3 Remarkably Cheap TSX Stocks to Buy Right Now

Description

The **S&P/TSX Composite Index** rose 15 points on Wednesday, February 15. However, a handful of sectors finished the day in the red. Those sectors included energy, battery metals, telecom, and financials. Today, I want to target three remarkably cheap TSX stocks that are worth snatching up right now. Let's jump in.

This top insurance TSX stock is undervalued in the middle of February

Manulife Financial (TSX:MFC) is a Toronto-based company that provides financial products and services in North America, Asia, and around the world. The growth of the middle class in Asia has spurred Manulife to bet big on that burgeoning market. I'm looking to snag this cheap TSX stock for the long haul.

Shares of Manulife have dropped 4.9% year over year as of close on February 15. The stock has jumped 7.3% so far in 2023. This company unveiled its fourth-quarter and full-year fiscal 2022 earnings on February 15. For the full year, Manulife achieved core earnings of $6.18 billion, which was down from $6.53 billion in the previous year. Meanwhile, diluted earnings per common share rose to $3.68 — up from $3.54 per common share in fiscal 2021.

The company's Asia business suffered due to the knock-on effects of the COVID-19 pandemic. Fortunately, the pandemic is largely in the rearview window, and this region is poised to deliver big growth in the insurance and financial services space. Shares of this cheap TSX stock possess a very favourable price-to-earnings ratio of 6.9. Moreover, Manulife offers a quarterly dividend of $0.365 per share. That represents a strong 5% yield.

Here's a top auto parts manufacturer that is dirt cheap today

Magna International (TSX:MG) is an Aurora-based company that is engaged in the design, engineering, and manufacture of components, assemblies, systems, subsystems, and modules for original equipment manufactures of vehicles and light trucks around the world. Indeed, it is the largest auto parts manufacturer in North America. It has recently moved into the electric vehicle (EV) market, which makes Magna a TSX stock well worth targeting for the long term.

This TSX stock has plunged 25% from the previous year. Its shares have dipped another 3.5% in the new year. The interactive chart below demonstrates that Magna has struggled since the spring of 2021.

In the fourth quarter (Q4) of 2022, Magna reported total sales growth of 5% to $9.6 billion. For the full year, sales rose to $37.8 billion which was up from $36.2 billion in fiscal 2021. Consumers have been hit hard by higher interest rates over the past year. However, automobile sales should start to bounce back in the months ahead. This is good news for Magna.

The Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a given security. Magna last had an RSI of 37. That puts this cheap TSX stock just outside technically oversold territory.

One more undervalued TSX stock I'm stacking right now

Scotiabank (TSX:BNS) is the third and final cheap TSX stock I'd look to snatch up as we look to the second half of February. This is the fourth largest of the Big Six Canadian bank stocks by market cap. Shares of Scotiabank have jumped 12% so far in 2023.

Canada's top banks are set to unveil their first-quarter earnings in late February and early March. Higher interest rates have put pressure on the broader market and economy. However, top banks have also benefited from higher profit margins. This should show in Scotiabank's next earnings report.

Shares of this cheap TSX stock last had an attractive P/E ratio of 9.1. Better yet, Scotiabank offers a quarterly dividend of $1.03 per share, which represents a strong 5.5% yield.

CATEGORY

1. Investing

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3. TSX:MG (Magna International Inc.)

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