3 Cheap TSX Stocks to Buy Right Now

Description

Six months into the year, and the **S&P/TSX Composite Index** is already up 15%. The index is on pace for one of its highest-gaining years in decades.

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Of course, no one knows how the market will fare in the second half of the year. But it's very possible that the country's reopening could lead to the incredible bull run continuing through the rest of 2021.

Canadian stocks are soaring, but that doesn't mean value investors don't have anything to be excited about. There are plenty of top **TSX** stocks trading at discount prices today.

If you're looking for a bargain, I'd have these three companies at the top of your watch list.

TD Bank

I've had the Canadian banks on my watch list for most of the year. I think it's time to finally pull the trigger on **TD Bank** (TSX:TD)(NYSE:TD).

After a rough 2020, the banks have had a surprisingly strong year so far. The Big Five have all managed to put up market-beating growth since the beginning of 2021.

Interest rates continue to remain far below where they were prior to the COVID-19 pandemic. And the federal government doesn't seem to have any urgent plans on increasing them. It's this low-interest-rate environment that has me surprised by the bank's strong growth numbers this year.

But it's not TD Bank's growth this year that has it at the top of my watch list. The $160 billion bank has been a reliable market-beating stock for years. And on top of its growth potential, it also pays shareholders a juicy dividend yield of 3.6% at today's stock price.

TD Bank may be trading close to an all-time high today, but it's far from an expensive stock. It's still only trading at a price-to-earnings (P/E) ratio barely over 10 today.

Sun Life Financial

Sticking with the financial industry, I've got **Sun Life Financial** (TSX:SLF)(NYSE:SLF) right below TD Bank on my watch list.

The insurance stock might not be having as strong of a year compared to the major banks, but it's not nearly as expensive. Canadian investors can pick up shares of Sun Life Financial at P/E ratio below 10 right now.

Insurance might not be the most exciting industry, but it is a dependable one. In addition to its low price, the dependability of Sun Life stock is the second main reason it's on my radar.

I'm betting that consumers and businesses will both continue to depend on insurance policies for many more years. As a result, if you're looking for a long-term, dependable stock that can help balance out the more volatile high-growth companies in your portfolio, Sun Life is a value stock for you.

Enghouse Systems

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The tech sector led the way for growth stocks in 2020, and **Enghouse Systems** (TSX:ENGH) was no exception. The tech company was at one point riding a bull run over 100% last year.

The pandemic initially created a strong tailwind for Enghouse Systems in early 2020. Demand for the company's video conferencing and omnichannel communication software skyrocketed. But as we've begun to move closer to the country's eventual reopening, Enghouse Systems's stock price has come back down to reality.

Shares of the tech company are down nearly 30% from all-time highs set close to one year ago.

Growth may be slowing down from where it was in 2020, but I'm still bullish on Enghouse Systems over the long term. The profitable company has a healthy balance sheet that allows it to make strategic acquisitions of smaller companies to help fuel revenue growth.

Even with its 30% slide, shares are still up a market-crushing 110% over the past five years.

If you're looking to pay a higher price for the potential of higher growth, Enghouse Systems is certainly worth a look at an affordable P/E ratio of 30.

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1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:ENGH (Enghouse Systems Ltd.)
3. TSX:SLF (Sun Life Financial Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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