4 Safe Stocks That Are Still Great Value Buys

Description

Valuations are getting high on both the TSX and the NYSE, and it is getting harder for investors to find good buys. Although it may be exciting to buy when things are going well, the problem is that there could be a big correction around the corner.

Eventually, the bear market will come out of hibernation, and some highly valued stocks will start to see some big declines. Some investors may not mind that risk, but risk-averse investors might be looking for a safe refuge.

It's for that reason that I've outlined four stocks below that can provide you with some safe investment options that have good growth prospects without being priced at sky-high valuations.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is one of Canada's top banks, and it's hard to find a more stable stock than a bank stock. Not only are these investments stable, but bank stocks have a good reputation of outperforming the TSX with a degree of regularity.

TD has put in some strong quarters recently, and it will only continue to grow as the population increases and the economy continues to expand. Rising interest rates will also allow the bank to capitalize on larger spreads, which could more than make up for the drop in mortgages that we are likely to see next year as a result of tighter rules for home buyers.

At a price-to-earnings multiple of just 13, and with the stock trading at just 1.8 times its book value, investors don't need to be overly concerned with TD's very reasonable valuation.

Fortis Inc. (TSX:FTS)(NYSE:FTS) is a big utility stock that continues to grow via acquisition, with its latest quarter being fueled by big contributions from ITC Holdings Corp.

A utility stock is an appealing investment because it is recession proof; regardless of how the economy is doing, people will still need to heat their homes and use electricity. With a strong dividend and lots of growth prospects, Fortis is a great long-term buy.

Its valuation is also very reasonable with a price-to-earnings multiple just north of 20 and the stock currently trading at only 1.5 times its book value.

RioCan Real Estate Investment Trust (TSX:REI.UN) is well diversified and manages properties across the country. The company has great long-term potential, as it will continue grow with the economy. RioCan has provided investors with long-term stability, and it also pays a monthly dividend to its shareholders that yields over 5.6% annually.

The stock hasn't performed well this year, but at a price-to-earnings multiple of just over 12 and the share price trading just a shade above book value, it is a great value buy with lots of upside left.

Canfor Corporation (TSX:CFP) is another stock that has been doing well this year amid softwood lumber disputes. With demand being driven by new housing, Canfor will have plenty of opportunities to grow its business.

The stock trades at a price-to-earnings multiple of less than 14 and is 2.1 times its book value, which suggests the share price is not too expensive and could be a great value buy.

CATEGORY

1. Dividend Stocks
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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CFP (Canfor Corporation)
4. TSX:FTS (Fortis Inc.)
5. TSX:REI.UN (RioCan Real Estate Investment Trust)
6. TSX:TD (The Toronto-Dominion Bank)

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Date
2025/07/08
Date Created
2017/12/07
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