



3 TFSA Superstar Stocks Trading at a Deep Discount

Description

Value investors and income investors alike have a treat in store for them here! These three red hot picks represent some of the best value dividend stocks to be found on the TSX. If you're just starting to figure out how to invest in the stock market, or if you want to buy income stocks for your TFSA, RRSP, or RRIF, then these are a strong buy. They're super healthy, too, so if it's stock to buy and hold forever you're in luck.

A diversified trio of treats

What do printing and packaging, car parts, and banks have in common? Nothing! Except that they are all industries currently spearheaded by [lucrative dividend stocks with massive discounts](#). If you like your income passive (and who doesn't?) then you may want to give these three beauties a look.

Exco Technologies Ltd. ([TSX:XTC](#)) is a major parts manufacturer for the auto industry. While there has been talk of tariffs on auto sales south of the border, Exco Technologies shouldn't find itself impacted should trade with the U.S. take a hit. That said, it's hard to tell whether its share price has been affected by the steel and aluminum tariffs that recently took effect.

Exco Technologies is good value right now, with a deeply discounted share price of \$8.88. That's a saving of 36% compared to its projected future cash flow value of \$13.77. Its multiples all look great, and are below both sector and market averages. You'll be getting a dividend yield of 3.83% if you buy this stock. Just right for your TFSA or RRSP.

Laurentian Bank of Canada ([TSX:LB](#)) is a true gem of a stock that isn't getting the air time it deserves. If you're looking for a [near-perfect stock on the TSX](#) in terms of health, value, dividend, growth, and past performance, this is one of them. Its balance sheet is practically flawless, and it's got a low P/E of 8 times earnings, which should tell you a bit about its value.

Speaking of value, Laurentian Bank is discounted by 31%. Its share price of \$44.98 represents only 0.8 times its expected growth if you look to PEGs as an indicator of value (and you should). Meanwhile, that share price is a mere 0.9 times the book price. All told, you have an extremely well valued stock. In terms of dividend, you can expect a sumptuous 5.69% yield, which is expected to rise

even further to 5.77% next year.

Transcontinental Inc. ([TSX:TCL.A](#)) is Canada's biggest printer, and it's also a market leader in North American flexible packaging. Not only that, but it has great multiples, pays a decent dividend, and is deeply discounted by almost exactly 50%.

While that discount makes Transcontinental a contender for a lucrative money spinner down the road, one of the main reasons you should buy is its dividend. A yield of 2.58%, up to 2.64% next year, is a nice incentive to buy and hold this very healthy stock for the long term.

The bottom line

If you're looking for good dividends beyond financials and oil stocks, go for this trio for an already-diversified package. All three stocks have positive expected annual growth in earnings ahead of them, too, with Transcontinental at 3.1%, Laurentian Bank at 9.6%, and Exco at 11.7%. While good value doesn't always mean that a stock is worth having, these three are both healthy and profitable, which makes them strong buys.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners
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TICKERS GLOBAL

1. TSX:LB (Laurentian Bank of Canada)
2. TSX:TCL.A (Transcontinental Inc.)
3. TSX:XTC (Exco Technologies Limited)

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