



3 Value Stocks I'd Buy Right Now

Description

It's easy to get caught up in all the hype surrounding marijuana stocks these days, but the disciplined investor knows that value stocks are often better buys that can provide safe, long-term returns. It's no confidence that the world's most popular value investor, Warren Buffet, is also a value investor. While it may not be a popular way to invest for young investors, it's a proven way to build wealth.

Below are three great value stocks that can also help diversify your portfolio.

Fairfax India Holdings Corp. ([TSX:FIH.U](#)) gives investors a unique way to [diversify](#) their portfolio as the company invests in various businesses in India. It's easy to see why the stock has a lot of growth potential, as India is one of the largest economies in the world and there is a lot of opportunity for development in the area.

In its most recent fiscal year, the company's revenues were nearly five times what Fairfax brought in the year before, and over the past two years, the company's profit margin has averaged an incredible 76%. While the company is off to a disappointing start in 2018 with its recent quarterly results down from last year, there's still lots of potential growth here.

The stock currently trades at only eight times its earnings and only 1.2 times its book value at the time of writing. Year-to-date the share price is up 12%, and there's still a lot of upside left for Fairfax. The stock is a good buy for both value and growth investors.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is one of the Big Five banks. It's a great value buy that can also provide you with a very solid dividend. The company has a strong reputation of increasing payouts and the stock currently yields 3.7% per year.

The share price is currently valued at a price-to-earnings multiple of 14 and trades at only 1.7 times its book value. The stock has been a little volatile this year with returns of only 1.5% so far, but over the long term, BMO has generated strong results for investors, with the share price rising more than 60% in the past five years.

With hundreds of locations in Canada and a significant presence in the U.S., BMO is well diversified

and in good position to take advantage of both rising interest rates and favourable tax cuts south of the border.

Loblaw Companies Ltd. ([TSX:L](#)) has faced significant challenges from both **Amazon.com, Inc.** and **Walmart Inc.** in recent years, but the company has continued to prevail as it continues to achieve strong growth. In its most recent quarter, net income for the grocer was up over 60% from a year ago.

Even a [price-fixing scandal](#) hasn't been enough to deter customers from the store as it continues to overcome the obstacles that have been thrown in its path.

The stock has declined around 2% since the start of the year, and during the past 12 months has dropped less than 6%, proving that the negative press has not been enough to make investors overly bearish on Loblaw.

The stock still trades at a very fair 16 times profits and only twice its book value. It also provides investors with a modest dividend of 1.76%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
4. TSX:L (Loblaw Companies Limited)

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Author

djagielski

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