3 Value Stocks I'd Buy Right Now

Description

If you focus on value rather than growth prospects or future expectations, then you risk will be minimized over the long term. By evaluating where a company is today, you're basing your assessment on real sales and profits that have already been achieved, rather than having to project where a company might be in the years ahead.

You can have all the complex calculations you want to estimate future growth, but there's no guarantee it'll be close. There's a lot of risk that growth may not be realized, or issues come up that drastically change it, and that can make your portfolio's returns very uncertain.

Below are three stocks that are good value buys that I would consider buying today.

SmartCentres Real Estate Investment Trst (TSX:SRU.UN) is an attractive investment because the REIT has some strong tenants anchoring its locations, and high occupancy rates give it a lot of stability. Since 2013, the company's sales have grown by 31%, averaging a compounded annual growth rate of 5.5%.

Even more importantly, SmartCentres has averaged a strong 42% profit margin as well, ensuring strong future growth as well as a stable dividend. Its monthly dividend currently produces annual returns of 5.8%, which will help to make up for the fact that the stock is down year to date.

At a price-to-earnings ratio of 14, and the stock trading 1.2 times its book value, SmartCentres stock offers great value for your money. Another reason I like the stock is that it's likely undervalued given how bearish investors have been on REITs this past year, and that could mean a lot of upside for those that buy today.

Seven Generations Energy (TSX:VII) is a growth stock that still trades at a value stock's price. Despite showing tremendous growth over the years, investors have not shown a lot of excitement behind the stock. And while the oil and gas industry is still a little risky, Seven Generations continues to produce strong results, despite the current conditions.

The stock trades at 14 times its earnings and around 1.2 times its book value, which are multiples lower than the industry averages. As things continue to improve in the industry, Seven Generations is a good stock to hold, as its financials will only get stronger. However, the company has been able to produce strong results even during the downturn, which is something not many in the industry can claim.

Fairfax Africa Holdings Corp. (TSX:FAH.U) offers investors a unique way to diversify their portfolios in a part of the world that many companies simply don't have a presence in. Africa remains a great opportunity for long-term growth, and Fairfax focuses on value and long-term capital appreciation, making it very appealing to value investors.

There's a lot of opportunity in that part of the world in the years to come, but that doesn't mean Fairfax Africa isn't a good buy today. Currently, the stock is valued at nine times its earnings and is trading right around its book value, so investors won't have to pay a big premium in order to grab this great investment opportunity.

CATEGORY

1. Investing

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1. Editor's Choice

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1. TSX:HFPC.U (Fairfax Africa Holdings Corporation)
2. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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djagielski