



Where Have All the TSX Value Stocks Gone?

Description

The **Toronto Stock Exchange** (TSX) has a rich 150-year history and has grown in size with over 1,500 companies listed on the exchange today. You can choose to invest in Canada's well-known companies representing various sectors. For casual investors, the tendency is to pick popular names over lesser-known stocks.

However, investors in the know search for stocks with [high-value potential](#) and offer higher returns as well. Value stocks are hard to come by or discover. **Methanex Corporation** ([TSX:MX](#))([NASDAQ:MEOH](#)), **Pason Systems Inc.** ([TSX:PSI](#)), and **Kinaxis Inc.** ([TSX:KXS](#)) are considered value stocks.

Essential chemical

Methanex Corporation is the world's largest producer and supplier of methanol to major international markets in North America, Asia Pacific, Europe and South America. Methanol is a chemical compound that is used as an ingredient used to produce hundreds of industrial and consumer items for daily use.

Methanol is an attractive alternative fuel because it is a clean-burning, cost-competitive biodegradable fuel. There are environmental and economic advantages when people use methanol in powering vehicles and ships or while cooking food and heating homes.

Company sales dropped in 2016, but Methanex has since rebounded. Net income grew by over 250% in 2017 and then by 80% in 2018. If the company can maintain the 11.85% profit margin and realize the 13.0% annual growth estimate in the next five years, Methanex's value would magnify.

Methanex is also a dividend-payer. With a 2.4% dividend yield and a potential 43% upside on the price, the stock offers real value compared with some of the more popular stocks.

Oilfield specialist

Pason Systems Inc. operates in the oil and gas industry but is not into exploration or production. Instead, the \$1.6 billion company provides the instrumentation and data management systems for the big oil drilling companies to increase operational efficiencies.

The company is the only oilfield specialist with a fully integrated end-to-end data solution that allows oil drillers to collect, manage, report, and analyze real-time data to optimize drilling operations and be right on schedule. How do you think the oil and gas E&P companies achieve bottom-line targets?

At \$18.57 per share, Pason is [cheap stock](#). Analysts think the stock should be worth 45% more. Factor in the 3.5% dividend yield, Pason deserves attention.

Supply-chain solution provider

The cloud-based subscription software that Kinaxis provides eliminates the volatility experienced in supply chain operations. There are so many complexities that need to be addressed to maximize business performance.

Business entities in industries such as aerospace and defense, automotive, consumer products, electronics, industrial, life sciences, and pharmaceuticals among others need better supply chain management processes — and Kinaxis can solve all these complex planning problems.

The stock is a strong buy at \$81.84 with the potential climb to \$100 in the next 12 months. There are no dividends, but steady and consistent company performance in the coming years.

The products and services of the three companies are vital to major industries and the economies at large. The stock values could be higher if the market's perception changes and be more favourable.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:MEOH (Methanex Corporation)
2. TSX:KXS (Kinaxis Inc.)
3. TSX:MX (Methanex Corporation)
4. TSX:PSI (Pason Systems Inc.)

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