3 Value Stocks for Your TFSA Account

Description

Value investing has long been praised for its ability to deliver above-average returns in addition to serving as the chosen discipline followed by some of the world's most famous and successful investors, including the likes of Warren Buffett, Seth Klarman, and Joel Greenblatt, among others.

While its counterpart, growth investing, tends to focus on the selection of companies expected to outperform the broader market based on forecasts for their sales and earnings growth, value investing tends to focus on the selection of what are typically more mature companies perhaps not experiencing quite the same levels of growth, but that are perceived to be trading at less than their intrinsic values.

Canada's largest auto parts supplier, **Magna International** (TSX:MG)(NYSE:MGA) happens to be one of those value-style investments.

Magna has been a staple of the Canadian economy for years, led by its original founder Frank Stronach, but it suffered disappointing results in the first quarter, including sales that were down 2% and profits that were down 11% year over year.

Still its sales have continued to outpace those of the broader auto sector, which were down by more, 7% during the first quarter, and the company continues to maintain strong relationships with OEM's (original equipment manufacturers) like **Ford** and **General Motors**.

In its most recent quarterly reporting, Magna's CFO Vince Galifi stated that the company expects to generate somewhere between US$1.8 billion and $2 billion in free cash flow this year, which would represent an increase over 2018's year-end results and provide more than ample support for MG's 2.97% annual dividend payout.

Molson Coors Brewing (TSX:TPX.B)(NYSE:TAP) is another interesting dividend play in the Canadian market these days, having announced plans last month to raise its quarterly payout by 39% beginning with the September distribution, payable to shareholders of record on August 30.

Investors have shunned Coors stock as of late, as it's struggled to keep sales afloat amid a stagnating market for domestic beer sales that have come under pressure from the threat of smaller craft beers and, more recently, a legal market for recreational cannabis.

Still, old habits tend to die hard, and I'm personally not of the belief that major breweries like Molson Coors are about to be going the way of the dinosaur anytime soon.

High Liner Foods (TSX:HLF) is a considerably smaller company than the aforementioned two, with a market capitalization of just over $355 million.

High Liner happens to be one of North America's leading manufacturers of frozen seafood products, and although sales have come on hard times in recent years, management is confident that it can return the company to positive organic growth by 2020.

However, because HLF shares have already gained more than 40% so far this year, including 22% in July, Foolish readers may want to try and hold off for the next opportunity to buy this one on the next pullback, or "dip," at perhaps something closer to the $9 mark.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. NYSE:TAP (Molson Coors Beverage Company)
3. TSX:HLF (High Liner Foods Incorporated)
4. TSX:MG (Magna International Inc.)
5. TSX:TPX.B (Molson Coors Canada Inc.)

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