



3 Top Value Stocks to Buy Now

Description

Value stocks have “value” in the name for a reason. These stocks can be quite hard to come by and are usually defined by a few key characteristics. These stocks have a long history of strong performance; they trade at a price that offers a discount based on what the performance of the companies would indicate and based on what they offer, such as dividends and strong share increases. Basically, these stocks are a bargain.

Royal Bank

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) deserves a top spot as Canada’s largest bank by market capitalization. The company pumped out strong results last week, proving it’s ready for a recession with \$3.3 billion in net income reported for the quarter. The bank came out of the last recession relatively unscathed, and given that this one shouldn’t be as bad, investors should be racing to pick it up on the cheap.

[How cheap?](#) The stock currently trades at about \$98 per share, about 12% below its fair value price. Royal Bank also offers investors a stellar dividend, which was just increased during its last quarterly report and now stands at 4.29% for shareholders. This is great news for investors picking it up now, but as for the future, Royal Bank should be a great buy-and-hold option. The company’s expansion into the United States coupled with its wealth and commercial management sector means highly lucrative earnings are ahead of this top Canadian bank.

Manulife

Another fantastic option for investors looking to pick up bargain value stocks is **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)). While you’d think an investment company such as Manulife wouldn’t be a stock that would bring in consistent cash flow, with Manulife, it’s different. The company’s [business model](#) has proven it can handle a market downturn by picking up stable options such as insurance policies and financial products and services.

The company is also undergoing cost reductions and international expansion to emerging markets such as Asia and the United States. These diversified operations means Manulife no longer relies on just Canada's economy, allowing these other areas to pick up the slack. The stock is also cheap at around \$21.50 per share as of writing, 12% below fair value, and with a solid 4.59% dividend yield.

Constellation Software

While this last option isn't cheap, it's certainly still a strong option for investors. **Constellation Software** ([TSX:CSU](#)) has solidified itself as a strong tech business that has kept on growing over the last 25 years. The company provides software and services to a select few organizations around the world, and it's incredibly good at what it does, creating an irreplaceable presence at these firms.

The company is still growing, making acquisitions and picking up new clients when it has room, and diversifying its portfolio in the process to continue making strong gains no matter what the market does. In the last six years, net income has grown more than 400%, and a 460% increase in share price. The company expects sales to grow by 15.3% through 2019, and 15.5% through 2020. While the stock looks overvalued for the moment, within the tech industry any major dip could be a chance to pick up a solid stock for the future. It also offers a 0.42% dividend yield, which can add up given its high share price.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:MFC (Manulife Financial Corporation)
5. TSX:RY (Royal Bank of Canada)

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