2 Severely Undervalued Stocks to Buy at a Discount Before 2020

Description

One of the most beloved strategies for investors who enjoy success in the world of stock markets is value investing. I'm talking about some of the most successful names in the game, such as Warren Buffet, who's always emphasized the importance of picking out stocks on depreciated value.

What *is* a value stock, you ask? A value stock mostly belongs to a company whose shares are trading at a lower price than its fundamentals.

Today I'm going to discuss two value stocks that you can consider adding to your investment portfolio before 2020 to reap the most benefit moving forward.

Nutrien Ltd (TSX:NTR)(NYSE:NTR) and **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) can both be excellent opportunities for you to grow your wealth while reducing your risks.

Toronto-Dominion

Stocks from the $132.19 billion market capitalization bank took a sudden dip and are down 3.30% in the past five days at the time of this writing.

At $72.97 per share, Toronto-Dominion stocks are not the cheapest to consider. Still, its trailing P/E ratio of 11.68 does make the stock a little attractive.

TD's disappointing quarterly results posted last week saw the share prices drop slightly, but its stocks are too cheap right now to leave alone. The earnings per share of $1.59 in the latest quarterly results were lower than the $1.74 expected despite an improvement of 2% in its quarterly revenue.

Toronto-Dominion's operations in the U.S. remain stable, with an improvement of 7% in its retail banking operations in the country south of the border. At the time of this writing, TD has a dividend yield of 4.06%.

Nutrien

With a P/E of 8.58, the $35.16 billion market capitalization agriculture sector giant is the second value stock for 2020 to consider. Nutrien is one of the key producers of potash in the world, along with a solid production of phosphate and nitrogen. All three of its products are a critical part of agricultural operations around the world.

After a merger between Agrium and Potash Corporation of Saskatchewan in early 2018, Nutrien formed to become one of the major companies in the sector.

With a massive retail operation that supplies more than 500,000 farmers with seeds and crop protection products, all the fundamentals point in favour of Nutrien.

Despite everything going its way in terms of fundamentals, weak pricing of its products and the demand in the agriculture sector have affected the share prices of Nutrien.

The third and fourth-quarter results for Nutrien were a result of short-term market softness. The agriculture industry, however, expects to come back strong in 2020.

As of this writing, Nutrien stocks are trading at $61.37 per share at writing with a dividend yield of 3.88%.

Foolish takeaway

Judging by the price-to-earnings ratios of both companies, Nutrien and Toronto-Dominion stocks could be attractive options to consider on the slight weakness.

Remember, it’s vital to conduct thorough research in order to avoid getting caught in the value trap. Take a better look at both stocks and find out whether the shares are worth your investment.

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1. Bank Stocks
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2. NYSE:TD (The Toronto-Dominion Bank)
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