TFSA Investors: 3 Top Value Stocks to Buy Right Now!

Description

If you're a TFSA investor looking for value stocks to pick up on the cheap, you may have noticed that the pickings are slim. With the TSX having posted its best year since 2009 last year, stocks have gotten a lot more expensive. That doesn't mean there aren't still some great value plays out there, but they're getting hard to find.

If you're looking for value stocks that also offer a bit of growth, you're going to have to look hard. If you don't want to spend untold hours researching which stocks are still cheap in 2020, the following are three picks to shorten the process.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is well known as one of Canada's Big Six banks. However, its presence reaches far beyond Canada's borders. The company has established a huge presence in the eastern U.S. and is the ninth-largest retail bank in the U.S. overall.

Over the years, TD's U.S. retail business has powered considerable growth. Whereas other Canadian banks have been crawling along with 2-3% earnings growth, TD has been growing at closer to 9-10% annually.

Last year marked a departure from that trend, as the bank's full-year earnings were only a 3.9% improvement over the prior year. However, it still managed to beat most other Canadian banks' results for the year. TD's stock is currently cheap, with a P/E ratio of 12 as of this writing.

Canadian Utilities

Canadian Utilities (TSX:CU) is a medium-sized utility company with $22 billion in assets. The company provides electricity and natural gas for businesses and households. Unlike some other Canadian utility stocks, CU is pretty cheap, with a P/E ratio of 11.57 as of this writing.

That cheap price does not appear to be the result of lacklustre growth. In its most recent quarter, CU's EPS jumped from $0.68 to $0.99. For the most recent nine-month period, EPS grew from $1.21 to $2.75. This is solid growth, especially for an industry that isn't really known for rapid expansion. Canadian Utilities stock also has a lot of income potential, with a dividend yield of 4.16%.

Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) is one of Canada's largest energy companies. As a fully integrated energy company, it manages an energy supply chain all the way from extraction to the end consumer.

It owns a network of 1,500 Petro-Canada stations, where it sells gasoline directly to customers. This business model allows Suncor to extract more value from oil sales compared to upstream-only companies that sell to other energy companies.

Suncor Energy's business model has worked out well for it over the years. Over the last three years, its EPS has grown from $0.27 to $2.03, which is a phenomenal growth rate for a mature company. Despite that, the stock is still very cheap, with a forward P/E ratio of just 13.1 based on *Thomson Reuters's* earnings estimates.

CATEGORY

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

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1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:TD (The Toronto-Dominion Bank)

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