TFSA Investors: 2 Top Value Stocks to Buy Before March

Description

As we approach the RRSP contribution deadline for 2019, many top companies are also releasing earnings. Canada's top banks are often the biggest headline grabbers during this period. The TSX Index has soared to record highs in February, so many of these equities are preparing to post earnings while trading at high prices.

Today, I want to look at two top stocks that look undervalued in late February. These equities are worth targeting as we enter the final weeks of winter.

Scotiabank

Scotiabank (TSX:BNS)(NYSE:BNS) has been one of my favourite targets in recent months, though it has failed to gather the momentum of many of its high-performing peers. One of the reasons I've recommended Scotia is because of its attractive dividend. However, its stock has only climbed 3.4% year over year as of close on February 20.

The bank is set to release its first-quarter 2020 results before markets open on February 25. Scotia is often heralded as "The International Bank" because of its large global footprint, but at the end of 2019 management said it expected a bigger contribution from domestic operations this year. Solid economic conditions and a rebound in the housing market stand as potential tailwinds for the big banks.

Shares of Scotia last possessed a favourable price-to-earnings (P/E) ratio of 11 and a price-to-book (P/B) value of 1.4. In 2019, Scotia announced a quarterly dividend of $0.90 per share, which represents a strong 4.8% yield. Scotia boasts an attractive mix of value and income for investors on the hunt for opportunities in the banking sector right now.

Badger Daylighting

It was a tale of two halves in 2019 for **Badger Daylighting** (TSX:BAD). The company provides non-destructive excavating and related services in Canada and the United States. Shares soared to an alltime high of $49.57 last summer before falling down to earth in the second half of the year. The stock has failed to regain its momentum so far in 2020, but now may be the perfect time to stack at a discount.

Investors can expect to see Badger's Q4 and full-year 2019 results in the first half of March. In the year-to-date period at the end of Q3 2019, Badger had reported total revenue of $491 million over $436 million in the prior year. Adjusted EBITDA increased to $122 million compared to $113 million in the first nine months of 2019, and net profit per share remained mostly flat.

For 2020, Badger is forecasting adjusted EBITDA in the range of $175 million to $195 million with a hydrovac build between 200 to 230 units. There is enticing value here for investors looking to buy the dip. Shares last had a favourable P/E ratio of 17 but a middling P/B value of 3.4. Its stock last had an RSI of 35, which is trending towards oversold territory.

Badger also boasts a fantastic balance sheet to go along with promising growth potential. The stock last paid out a monthly dividend of $0.0475 per share. This represents a modest 1.7% yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
3. TSX:BNS (Bank Of Nova Scotia)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise

Category

1. Dividend Stocks
2. Investing

Date
2025/08/19
Date Created
2020/02/21
Author
aocallaghan