



## Stock Market Crash: These 3 Value Stocks Are Unbelievably Cheap

### Description

There's really only one bit of good news in today's stock market. There are plenty of [fantastic bargains](#), value stocks that have gone from cheap to unbelievably cheap.

These bargains won't last forever, either. Crashing stock markets have a way of turning positive right when you'd least suspect it. All too often, all it really takes is for the outlook to be slightly less grim than the week before.

Unfortunately, that small change in sentiment isn't enough to convince most investors, who ultimately miss a big chunk of the subsequent rally.

Don't let that happen to you. Here are three dirt-cheap value stocks you can buy today, companies with massive upside potential once markets return back to normal.

### Altagas

I last wrote about **Altagas** ([TSX:ALA](#)) [back in February](#), when it was still one of the cheaper value stocks on the Canadian market. Less than a month later, its shares have fallen by some 50%.

Ouch.

The stock was cheap at \$20 and it's *ridiculously* cheap at \$10 per share. In fact, the company has stuck with its 2020 guidance, telling investors it plans to earn \$1 billion in funds from operations in 2020.

The current market cap is approximately \$2.8 billion. No, that's not a typo. Altagas really does trade at less than three times 2020's projected funds from operations.

Yes, Altagas does have some exposure to the energy market. About 40% of its earnings come from its midstream operations, transporting natural gas through a network of pipelines.

Even if those earnings fall to zero — and they won't — the company is still quite cheap. Remember,

the majority of earnings are from steady utility operations. They aren't going anywhere.

Altagas pays investors a \$0.08 per share monthly dividend that works out to a 10% yield. Unlike most double digit yields, this payout is easily sustainable.

## Canadian Western Bank

**Canadian Western Bank** ([TSX:CWB](#)) is a little different operator than most other Canadian banks. It has a strong focus on commercial loans, including a large division that lends to franchise operators.

Normally, this isn't a bad part of the market in which to operate, but investors are questioning this focus in a world in which the near-term looks very bearish for restaurants.

It's not all bad news, however. If you believe the economy will rebound quickly, it's obvious Canadian Western Bank shares are a fantastic buy today.

The company earned \$3.11 per share in 2019. Shares currently trade hands at approximately \$18 each, putting shares at less than six times trailing earnings. Before chaos hit the market, analysts predicted earnings would hit the \$3.50 mark next year, is a reasonable assumption for 2021.

The stock also pays a nice dividend, with the payout recently surpassing 6.5%. And remember, Canadian Western Bank has a history of hiking its dividend, too.

## Polaris Infrastructure

If you're willing to put up with a little political uncertainty, **Polaris Infrastructure** ([TSX:PIF](#)) is one of Canada's best value stocks today.

The company's crown jewel is a geothermal power plant in Nicaragua. While I'm the first to admit the nation isn't the best place to invest, the asset plays an important role in the small nation's power system. It wouldn't look good for other foreign investment if the government seized such an important asset.

Polaris has also diversified into Peru, building hydroelectric dams there. These should add to the bottom line in 2020 while helping to minimize the Nicaragua exposure. In fact, look for Polaris to expand further in the region as time goes on.

Investors who buy today are getting the chance to load up on one of Canada's cheapest value stocks. Shares currently trade hands at around \$10 each at writing. In 2019, once we convert Polaris's results to Canadian Dollars, the stock delivered \$2.52 per share in free cash flow. That's right, Polaris trades at just four times trailing free cash flow, which is insanely cheap.

Like the others on this list, Polaris pays a succulent dividend. The dividend yield is 8% and is well covered by earnings.

## The bottom line on these value stocks

It seems that every Canadian stock is on sale. Some are even cheaper than most. These value stocks are incredibly cheap, the kinds of bargains you'll tell the grandkids about. Will you seize this opportunity or let it pass you by?

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:PIF (Polaris Renewable Energy)

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