



2 Value Stocks Too Cheap to Ignore

Description

There are a lot of great stocks out there at bargain basement prices. Stocks that really don't have any reason to be so low besides the current market situation are trading with unheard-of potential upsides. But if there's one area where you should be looking, it's value stocks.

These stocks offer a number of reasons for buying up in bulk during today's market rally. Value stocks are those that trade below relative worth. So if you were to look at the company's fundamentals – such as earnings, dividends, sales and the like – and its share price just doesn't add up, then the stock could be a great buy.

But out of all of the value stocks out there, these are the two I would first consider.

TD Bank

Canadian banks fared as some of the best in the world during the Great Recession about a decade ago. Within a year, the Big Six Banks were trading at pre-crash prices. There really isn't a reason that this shouldn't happen yet again unless the housing crisis goes on longer (or starts later) than first thought. That's what makes banks great value stocks right now.

Consider **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). TD Bank is tied for first as Canada's largest bank by market capitalization, but it has one further thing going for it: [expansion](#). The bank already expanded into the United States, but still has even more to go. That's great news given that TD Bank is already one of the top 10 banks in America.

TD Bank also has some protection, as the company has remained fairly conservative in its lending. So it shouldn't lose a lot of cash during these troubled times. Right now, the stock trades with a potential upside of almost 60%, and a dividend yield of 5.54% as of writing.

Great West Life

Another industry with some great value stocks is the insurance industry, but one stands above the rest. **Great-West Lifeco Inc.** ([TSX:GWO](#)) acquired a number of insurance companies under its umbrella, and has been raking in earnings for years. Of the top three out there, Great-West has been doing the best, with the highest returns and a tight grip on operating expenses.

While it can be hard to grow in the insurance market, Great-West recently sold its U.S.-based life insurance and annuity business for \$1.2 billion, leaving it the cash to grow its retirement business and asset management companies. These areas have a lot more potential for growth in the long term. As well, Great-West hasn't expanded into Asia. If this were to happen, shares could soar for the company.

As of writing, Great-West trades with a potential upside of about 42%. In addition, investors would receive a [dividend yield](#) of 8.13% at this point.

Bottom line

There are a lot of great stocks out there, but right now investors should look for those they can hold onto for decades.

Both TD Bank and Great-West offer investors with the opportunity to make significant funds in the short term while also seeing large returns for decades to come.

CATEGORY

1. Coronavirus
2. Investing

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2. TSX:GWO (Great-West Lifeco Inc.)
3. TSX:TD (The Toronto-Dominion Bank)

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