



These 3 Value Stocks Are Absurdly Cheap Right Now

Description

Energy, real estate, and financial sectors are still struggling. You can find cheap stocks in all three sectors, and there is enough variety that you may choose the stocks that fall neatly into your personal metrics of good companies.

And now might be a good time to fill up on these stocks because if another market crash *doesn't* come, which some investors are anticipating, you may not find such low valuations for a long time.

Once the broader market gains momentum upward and the economy starts to strengthen again, investor optimism and stock valuations are likely to grow. You may see some individual companies or sectors falling behind, but those instances would be hard to pinpoint, and you may not be able to capitalize on the situation fully.

A real estate stock

Allied Properties REIT ([TSX:AP.UN](#)) is a Toronto-based REIT that focuses on urban workspaces and data centres. The company has 160 urban properties in major city centres. The portfolio covers an approximate area of about 11 square feet, and the spaces they own and develop are centred around traditional TAMI (technology, advertising, media, information) workspaces.

Currently, the company is trading at \$42 per share, about 27.5% below its pre-crash value. The company has a market cap of about \$5.2 billion. Allied Properties is also a dividend aristocrat with an eight-year streak of dividend increases. Currently, the company is offering a decent yield of 3.9%, and the payout ratio seems perfectly stable at 25.5%.

Despite the market's volatility, the company's revenue, profit, and operating income haven't been hit too hard. The EBITDA only fell by about \$6.7 million. Apart from dividends, a good reason to consider this stock is its steady capital growth potential.

An energy aristocrat

The energy sector has seen some of the worst consequences that this market crash had to offer. While a few Aristocrats have slashed their dividends, thankfully, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) isn't [one of them](#), yet.

The Aristocrat has been increasing its dividends for eight consecutive years, and it's currently trading at a price 34.7% lower its pre-crash value. At writing, the stock is a bargain at \$34.6 per share.

Pembina's first-quarter results have been promising, especially given what the broader sector has witnessed. The profit margin and net income shifted, but not brutally so. The stock is right on track to recovery and has already risen 109% from its rock-bottom valuation in March.

Pembina operates a network of 18,000 kilometers of pipeline divided among conventional, oil sands, and heavy oil. It's sweet and sour gas gathering, and processing capability totals up to six billion cubic feet per day.

An independent fuel company

Parkland ([TSX:PKI](#)) is currently trading at a 28% discount for the price of \$34 per share. The [company is in swift](#) recovery mode and has already grown over 70% since its crash. It recently joined the ranks of Dividend Aristocrats and is currently offering a yield of 3.5%. While the payout ratio is a bit high at 79%, it's likely to lower down as the company regains traction.

Although its assets to liabilities ratio *are* on the positive side, the difference isn't too great. One of the things that give it a serious edge is its international footprint. It enjoys a dominant position (in its particular sphere, as an independent fuel retailer) in the Caribbean and Canada, and it's solidifying its position across the border as well. Parkland is also a decent growth stock.

Foolish takeaway

These three cheap stocks can add significant value to your portfolio. The companies are stable and enjoy strong growth potential. So when they regain traction, they are likely to add considerable capital growth to your portfolio, along with a decent amount in dividends.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
3. TSX:PKI (Parkland Fuel Corporation)

4. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/08/16

Date Created

2020/06/26

Author

adamothman

default watermark

default watermark