



2 Value Stocks to Buy Right Now

Description

The COVID-19 crash created countless opportunities to buy value stocks. The latest rebound reduced that opportunity set, but there are still bargains to be had.

The important thing is to remember what value means. In short, it means buying companies for less than they're really worth. In order for this to be possible, the market has to be *wrong*. There has to be an [asymmetric view](#) on the businesses value.

"I believe that I know more about this investment than you, the seller," explains value investing [legend](#) Seth Klarman. The ability to outwit the market requires intelligence, but most of all, it requires effort and patience.

"Value investing requires a great deal of hard work, unusually strict discipline, and a long-term investment horizon," Klarman adds. "Few are willing and able to devote sufficient time and effort to become value investors, and only a fraction of those have the proper mind-set to succeed."

One of the best ways to maximize your odds of success is to leverage the work of other investors. After sifting through the entire market, the value stocks below should top your buy list.

Think outside the box

BlackBerry Ltd. ([TSX:BB](#)) isn't usually a top pick for value investors, but it should be. Due to market inefficiencies, this stock trades at a 70% *discount* to the competition. Even a slight normalization in multiples would lead to an easy double.

Here's what the market doesn't get: BlackBerry has totally reinvented itself. Last year, it didn't produce any smartphones. It has completely exited the hardware business. Today, it's all about cybersecurity software.

Every day, the world adds thousands of internet-connected devices. All of these devices become vulnerable to hacking. That's especially bad news when we're talking about things like autonomous

vehicles.

BlackBerry's QNX platform, for example, is already installed in 150 million cars worldwide. It uses artificial intelligence to detect threats *before* they happen!

BlackBerry is benefiting from a market that will grow by 20% annually for decades. Doesn't that make it a growth stock? It would if shares were priced correctly. Instead, they're priced at value stock multiples.

Right now, BB stock trades at three times sales. Better-known competitors like **CrowdStrike Holdings Inc** trade at 30 times sales. Taking advantage of this market mispricing should lead to sizable gains.

A classic value stock

Brookfield Property Partners L.P. ([TSX:BPY.UN](#))(NASDAQ:BPY) is a more traditional pick for value investors, but it still has lucrative upside.

Brookfield is known for owning some of the best real estate on the planet. Properties like First Canadian Place in Toronto, Brookfield Place in New York City, and Canary Wharf in London. These are irreplaceable assets with permanent value, but thanks to the coronavirus, shares trade at 30% of book value!

As Klarman stresses, value stocks like this take patience. Brookfield owns a sizable amount of retail and office locations. These properties won't return to their full value until the coronavirus pandemic eases.

If you're willing to have a multi-year time horizon, this is a great opportunity. As shares move toward their historical valuation multiple, there should be at least 80% upside.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:BPY.UN (Brookfield Property Partners)

PARTNER-FEEDS

1. Business Insider
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Date

2025/08/23

Date Created

2020/07/02

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