



3 Top TSX Value Stocks to Buy in October 2020

Description

This year hasn't been the best for stock market investors. Despite all the headwinds from the COVID-19 pandemic, there are still great stocks to buy on the **Toronto Stock Exchange**. In fact, now is the perfect time to [start investing](#) some of your spare savings in the stock market.

Here are three top TSX value stocks to buy in October 2020 for your Tax-Free Savings Account or Registered-Retirement Savings Plan.

Emera: A top utility stock to buy in October

Emera ([TSX:EMA](#)) fell to \$42.12 during the March market sell-off from a 52-week high of \$60.94. At the time of writing, investors are trading the utility stock for \$55.79 per share. The annual dividend yield would be a great addition to your retirement portfolio at 4.57%.

This Canadian multinational energy holding company reported lower earnings in its gas and electric utilities businesses due to the COVID-19 pandemic and unfavourable weather. Moreover, legislative changes in corporate taxes lowered earnings through the timing of property, plant, and equipment deductions and a higher effective tax rate.

In addition to the COVID-19 pandemic, Hurricane Dorian increased the firm's storm costs this year at its Caribbean utility businesses, BLPC and Grand Bahama Power Company Limited.

These impacts have all led to a marginally depressed share price. Nevertheless, the utility stock is actually performing fairly well this year considering all the challenges.

Toronto-Dominion Bank: Reliable dividends for income investors

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) fell to \$49.01 during the March market sell-off from a 52-week high of \$77.72. At the time of writing, investors are trading the financial stock for \$60.38 per

share. The annual dividend yield is high at 5.23%, and Canadian banks are reliable payers.

Toronto-Dominion Bank stock is now selling for a price-to-earnings ratio of 11.72. While the stock is still trading lower than its 52-week pre-pandemic high, income and value investors might want to consider picking up shares in this bank stock.

Like other banks around the world, Toronto-Dominion Bank is struggling with higher default rates during the COVID-19 pandemic. For the nine months ended July 31, 2020, the bank reported \$6.325 billion in provisions for credit losses (PCL), up from \$2.138 billion for the same period last year.

Luckily, Canadian banks are some of the safest in the world with a dependable track record for delivering outstanding dividend yields. Thus, Toronto-Dominion Bank is one of the top TSX value stocks to add to your retirement portfolio.

Power Corporation of Canada: A top-performing firm in 2020

Power Corporation of Canada ([TSX:POW](#)) fell to \$17.47 during the March market sell-off from a 52-week high of \$35.15. At the time of writing, investors are trading the management and holding company for \$26.84 per share. Income investors should love the [annual dividend](#) yield of 6.67% for their Tax-Free Savings Accounts or Registered-Retirement Savings Plans.

Despite the chaos in 2020, Power Corporation of Canada is actually coming out ahead. Shareholders' net earnings were \$666 million, or \$0.99 per share, in the second quarter — an increase from 2019. By comparison, shareholder's net earnings were \$278 million, or \$0.64 per share, in 2019.

Despite its strong performance, shares in this firm are still trading below its 52-week high. This represents a solid buying opportunity for savvy investors.

Power Corporation of Canada boasts investments in insurance, retirement, and wealth management. In the firm's second-quarter earnings report, the company released the following statement regarding the COVID-19 pandemic:

“The corporation is managing the risks associated with the COVID-19 pandemic utilizing its existing risk management framework. At Power Corporation and its group companies, the focus has continued to be on managing the safety and well-being of its people, maintaining operational effectiveness, ensuring that the group can serve its customers, assessing impacts on earnings, liquidity and capital, planning for different potential scenarios and engaging with stakeholders.”

Because Power Corporation is performing so well and has a solid COVID-19 risk-management plan in place, this stock is probably one of the best buys on the Toronto Stock Exchange today.

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1. Editor's Choice

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3. TSX:POW (Power Corporation of Canada)
4. TSX:TD (The Toronto-Dominion Bank)

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