Buy These 2 Top TSX Value Stocks While They’re Dirt Cheap

Description

The stock markets are on the retreat again amid pushed back U.S. stimulus talks. With a U.S. election and a growing possibility of further lockdowns amid skyrocketing COVID-19 cases, the stage looks to be set for some kind of double-dip correction.

This piece will have a look at three battered **TSX** value stocks that I think can hold their own and possibly rally in the face of the coming correction. Although shares of each name could certainly become cheaper in a month’s time, I’d argue that it’s a far better idea to swing at the decent pitches Mr. Market throws your way at any given instance, rather than waiting around for the perfect pitch that may never arrive.

Without further ado, consider the following value names that I think are great buys today, even if you think the broader markets are headed south for the winter.

ONEX

ONEX (TSX:ONEX) is a great asset manager that got caught offside amid the coronavirus crisis. The firm scooped up WestJet Airlines just months before the air travel industry got hit with the worst storm of headwinds in its history. While ONEX’s timing couldn’t be worse with the deal, the abysmally-timed acquisition ought to be forgiven by investors, as even the best investors on the planet were blindsided by the black swan event that is COVID-19.

Over a prolonged period, ONEX is capable of crushing returns of the **TSX Index**. Although the COVID crisis is a major setback, the company will, in time, bounce back on the other side of this pandemic. The company has an enviable liquidity position and is one of the most prudent deep value ways to play an economic return to normalcy.

At the time of writing, shares of ONEX trade at 0.66 times book value, pushing the stock close to the cheapest it's been since the depths of the Financial Crisis. Today, shares are off over 44% from theirall-time highs. With nearly $2 billion in cash and near-cash on hand, the firm has enough financialflexibility to continue rolling with the punches brought its way by this crisis.

TD Bank

Analysts turned against **TD Bank** (TSX:TD)(NYSE:TD) in a big way over the past few weeks. Canada's most American bank has more than its fair share of loans to industries that have been hit the hardest by the insidious coronavirus. And with most investors expecting Joe Biden to walk away as president in the U.S. election that's just over a week away (time flies!), TD Bank could be on the receiving end of a corporate tax hike amid its battle with COVID headwinds.

Credit Suisse slapped TD with a major downgrade, citing more pronounced headwinds than its Big Five peers' likes. While TD does have a marginally rougher road ahead of it, it would be foolish (that's a lower-case "f") to count TD out, given its exceptional track record of navigating through crises and economic downturns.

Like ONEX, TD couldn't really pivot to mitigate the risks brought forth by the COVID crisis. Shares have been punished accordingly and unfairly so in my opinion. If you're able to look beyond 2021, TD is a screaming bargain with shares nearing crisis-level lows. TD's 1.2 times book value multiple puts it at the lower end of the pack now despite still being a premier bank.

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