



3 Value Stocks to Buy Right Now if You Have \$1,000

Description

The massive recovery in stocks after the pandemic-led selloff suggests that the market has not cared about the uncertain economic trajectory. Even the virus's continued spread has failed to stop the recovery rally in most TSX stocks.

Thanks to the rally, it is tough to find stocks offering good value with strong fundamentals. However, a few stocks look attractive at the current levels, suggesting the uptrend in these stocks could sustain. So, if you've got \$1,000 to invest, consider buying the shares of these companies that look attractive on the valuation front.

BlackBerry

Despite the recent rally in **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), its stock is still down about 23% year to date, offering good value to medium- to long-term investors. The growing spending on cybersecurity and BlackBerry's transition from hardware to a software and services company provides multi-year growth opportunities.

BlackBerry is witnessing strong demand for its products and services related to secure remote work solutions. Meanwhile, the [automotive market's recovery](#) is likely to support its growth further and lift its stock higher.

BlackBerry's customer base is growing at a healthy pace, while its recurring software product revenues are expanding. Further, the company's focus on reducing debt and low customer churn rate is an encouraging sign. With its stock trading at a forward EV/sales multiple of 2.6, BlackBerry looks attractive at the current levels.

Bank of Nova Scotia

Shares of **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) are down about 18% year to date. Moreover, its stock is trading at a P/B ratio of one, which is well below its historical average of 1.4.

A significant decline in interest rates and a surge in provisions for credit losses weighed heavily on the profits of top Canadian banks, including Bank of Nova Scotia. However, the continued expansion of its balance sheet, thanks to the higher loans and deposits, is driving the recovery in its stock.

Bank of Nova Scotia remains well capitalized. Continued growth in its loans and deposits and exposure to the high-growth markets suggest that the bank is likely to witness strong growth, as the economic activities pick up the pace. Further, the pressure on its bottom line is expected to ease, reflecting a strong sequential decline in its provisions.

Besides offering good value at the current levels, Bank of Nova Scotia pays a quarterly dividend of \$0.90 per share, implying a [high dividend yield](#) of 6.4%.

TC Energy

With a year-to-date decline of 17% and its stock trading at a forward EV/EBITDA multiple of 11 (almost 10% lower than its historical average), **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) offers good value. Like Bank of Nova Scotia, TC Energy offers a high dividend yield of 5.9%, and its payouts are very safe.

Investors should note that the pandemic hardly had an impact on TC Energy's high-quality assets. Its asset utilization rate remained high, while the company is progressing nicely on its \$37 billion secured capital program.

The company's long-term contracts and rate-regulated assets make it immune to the short-term volatility in commodity prices and volumes. It also supports its dividend payouts.

TC Energy project 8-10% growth in its dividends in FY 2021 and 5-7% after that, implying investors can gain big from its dividends and appreciation in the capital.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing
6. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:TRP (Tc Energy)
4. TSX:BB (BlackBerry)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:TRP (TC Energy Corporation)

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