



3 Top Value Stocks on Sale to Buy Right Now!

Description

If you have started investing in 2020, you would have learned a lot. The volatility and wild swings in the stock markets were not for the weak-hearted. Broader indexes went into bear-market territory in just 30 trading days, and this was followed by a snap-back rally that was equally unprecedented.

However, the volatility has also provided investors with an opportunity to identify stocks that are trading at an attractive valuation. You can find proven businesses to park your money and create long-term wealth. We'll look at three such value stocks for your portfolio.

Bank of Nova Scotia

Banking companies, including **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), have been underperforming the markets in 2020. The high unemployment rates coupled with low interest rates and a sluggish business environment have contributed to the stock decline in BNS and peers.

However, the Bank of Nova Scotia is the third-largest bank in Canada and has survived multiple recessions. It has strong fundamentals that present an excellent buying opportunity. BNS is aggressively eyeing expansion outside North America, which will continue to drive top-line growth in the upcoming decade.

BNS stock has a juicy dividend yield of 6.4%, making it extremely attractive to income investors as well. Bank of Nova Scotia has a forward price-to-sales multiple of 2.2 and a cheap price-to-earnings multiple of 9.5, which suggests it is undervalued given its dividend yield and an expected earnings rebound in 2020.

Enbridge

The second stock on this list is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), a diversified energy infrastructure company. Despite the mayhem witnessed in energy stocks this year, Enbridge remains relatively immune to oil price shocks. In Q3, the company reported adjusted EBITDA of \$3 billion, which

indicated a decline of 3.6% year over year.

Its distributable cash flow also fell less than 1% to \$2.08 billion, which meant its dividend-payout ratio rose to 79%. The company's diversified portfolio and [growth in its gas distribution](#) and storage segment helped to offset weakness in the liquids pipeline business.

The company reaffirmed its Q4 DCF guidance between \$4.5 and \$4.8 for 2020, which will indicate a dividend-payout ratio of less than 70%. Enbridge expects DCF to grow between 5% and 7% in the next two years and has targeted a payout ratio between 60% and 70%.

Enbridge has a forward yield of 8.5%, making it one of the top income stocks on the TSX.

Fiera Capital

The final stock on the list is **Fiera Capital**, an asset management company. It is one of the [largest investment companies](#) in Canada with over \$170 billion in assets under management.

It offers portfolio management services to institutional, private wealth, and retail investors, allowing clients to invest in traditional and alternative asset classes. The company has increased revenue from \$26.5 million in 2003 to close to \$700 million in the last 12-month period.

Fiera Capital stock is trading at \$10, which is 16% below its 52-week high. This means it has a forward yield of 8.4%. Fiera has, in fact, increased dividends for five consecutive years, and with a forward price-to-earnings multiple of 7.7, it has significant upside potential.

Analysts tracking Fiera have a 12-month average target price of \$12.75, indicating the stock is trading at a discount of 27% from current prices.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:ENB (Enbridge Inc.)

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