



Market Rally: Now Is the Time to Buy This TSX Stock

Description

This year the stock market has been more like a roller coaster than anything. The major volatility driven by the coronavirus pandemic news has created a tonne of opportunities for savvy investors. With the most recent vaccine news, however, a new group of **TSX** stocks are rallying.

Throughout the pandemic, there has been ample opportunity for investors to make money. Stocks have moved in waves, making it relatively easy to position your portfolio properly if you can spot the rebalancing earlier enough.

When the pandemic first started, investors focused on buying defensive stocks such as consumer staples and utilities. Soon after that, the market turned its attention to healthcare stocks as well as big blue chips, seeing minimal impact from the pandemic.

Tech stocks and gold stocks also saw major rallies throughout the pandemic. However, finally, the distressed [value stocks](#) are starting to rally, which may be one of the best opportunities since the pandemic started.

So with that in mind, here is the top TSX value stock to buy before it skyrockets completely.

TSX media stock

One of the cheapest stocks on the TSX all year long has been **Corus Entertainment Inc** ([TSX:CJR.B](#)). Corus is a media company with T.V. and radio assets. It's also more recently been growing its content production as well as its streaming platform, STACKTV.

One of the main reasons why the stock has been so cheap all year is because investors have been worried about the pandemic's impact on Corus' revenue. Roughly 65% of Corus' sales come from advertising dollars. So when the pandemic hit and many companies pulled their advertising campaigns at first, the stock saw a big drop off in revenue.

However, Corus has been earning strong free cash flow the whole time. And management was clear

pretty early on in the pandemic that it would not need to cut the dividend. This has been reassuring news; however, the stock has still offered investors an incredible discount and dividend yield for most of the year.

It wasn't until the most recent earnings report that investors realised the TSX stock is indeed as cheap as it seems. I recommended that investors [watch the stock for earnings](#), and since then it has rallied by more than 40%. However, the stock remains extremely cheap.

Superior value

It continues to trade at a price to adjusted earnings ratio of just over 8.0 times. It's also trading at a price to free cash flow ratio of just 3.1 times.

That's incredibly cheap for the TSX media stock, especially given that it pays out just 33% of its adjusted earnings, and the dividend yields more than 5.5%.

Besides the pandemic, investors have been concerned with Corus' maturing T.V business and high debt load, both of which the company has worked on improving.

It's work to focus more on content creation as well as its streaming platform will help offset some of the losses as the traditional T.V industry matures. Meanwhile, on the debt front, Corus managed to retire another \$250 million of debt this year, while investors were avoiding it over concerns about its long-term stability.

Bottom line

Corus has had some trouble in the past, which looks to be keeping investors on the sidelines. However, the TSX stock is in much better shape today with impressive operations and a much more robust balance sheet.

So with one of the biggest discounts on the market and a business that's rapidly recovering, Corus is one of the best stocks you can buy today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)

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1. Business Insider
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