



2 of the Best Canadian Value Stocks to Buy in December

Description

Over the past few months, many Canadian value stocks have been rallying. Some Canadian stocks, though, have been mostly ignored. Now, however, with the market rallying considerably, a lot of stocks are finally taking off. This means investors will have to act quickly to gain exposure if you don't already have some or risk missing out on these discounts altogether.

In rallies like these, though, it can be easy to get caught up in the euphoria and buy lower-quality stocks. So it's crucial you make sure to do solid research and understand the company your buying so that you can avoid a mistake like that.

While many stocks have been rallying, there are several that still offer investors significant value. Here are two of the top ones today.

Top Canadian value stock

The first Canadian stock to buy today may not be the cheapest, but of all the value stocks on the **TSX** it's easily the highest quality. **Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#)) is a massive \$80 billion energy giant.

The company is responsible for transporting roughly a quarter of all oil transported across North America and gas consumed in the United States. Plus, it also has several other diversified operations.

One of the main reasons it's so cheap is because the energy industry, which most of its clients are in, has been highly affected by the pandemic. Of course, these are only short-term headwinds that will subside as we begin to emerge from the pandemic.

These headwinds shouldn't be ignored completely. However, they also shouldn't weigh on Enbridge's stock price this much, especially for a company of its importance and with its long-term potential.

Plus, the massive Canadian value stock will pay you a significant amount to buy the stock and wait. Its dividend currently yields 7.8%. That's an attractive incentive for long-term investors to buy the stocks

today.

[Enbridge](#) is currently trading more than 25% off its 52-week high, but with the economy on the way to recovery and multiple vaccines on the way, there won't be much time left to take advantage of this discount.

Long-term growth stock with significant value

Another top Canadian value stock you could consider is **Parkland Corp** ([TSX:PKI](#)). Parkland is in the [energy](#) industry; although it has exposure to energy, Parkland is not necessarily a traditional energy company.

Parkland operates fuel supply and marketing businesses in addition to several convenience stores. The fuel supply business was one that saw a big impact early on in the pandemic. With so many consumers staying home to help curve the spread, demand for fuel dropped off dramatically.

That's all in the past, though, and these companies have recovered their operations considerably. The company has been a strong growth business in the past. Right now, it's in the middle of its five-year growth plan, which Parkland is hoping can double its 2018 EBITDA by 2023.

As fuel margins help offset the loss in volume and Parkland continues to seek out high-quality acquisitions that looks entirely possible.

So with the Canadian value stock trading roughly 20% off its 52-week high, there's considerable upside today. Plus, long-term, the company has the ability to continue growing at an impressive rate.

Bottom line

Looking across the TSX, of all the high-quality Canadian stocks, there isn't much value left. These two stocks offer some of the biggest discounts on the market, but you better act soon. It's only a matter of time until these stocks have fully recovered as well.

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2. TSX:ENB (Enbridge Inc.)
3. TSX:PKI (Parkland Fuel Corporation)

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