



## 3 Top Canadian Value Picks for Your Retirement Fund in 2021

### Description

The markets may be pretty [hot](#). And while valuations are excessive, it's difficult to tell if the stock market as a whole is actually overvalued and due for a plunge. You see, one must not forget the type of environment we're in right now, with near-zero interest rates, unprecedented stimulus, and an extremely dovish U.S. Federal Reserve.

I don't view markets as being that expensive. I think it's a mistake for investors to conclude that no [value](#) stocks exist in a frothy market and that the pursuit of finding "bargains" ought to be delayed until the next correction (a market sell-off of at least 10%). In this piece, let's look at three top value stocks that I think are worthy of a long-term-focused retirement fund right now. I hope you'll agree that each name is a bargain, despite the alarming headlines that call for a near-term pullback.

### IA Financial

**IA Financial** ([TSX:IAG](#)) is one of the most underrated Canadian financials out there. Despite recovering quickly from the Great Financial Crisis, the stock continues to trade as though there's something fundamentally wrong with the firm. Like other Canadian insurers, IA faces some steep headwinds amid the pandemic. But I believe investors are discounting the name over its peers because of its smaller yield. IAG sports a modest 3.2% yield, which leaves a lot to be desired.

What the firm lacks in yield size, it makes up for in its prudent practices. The firm isn't known to stretch itself too thin when times are good, putting the name in a good spot to rebound when the time comes. In the face of a 2021 recovery, I'd say IAG stock is a deep-value bargain while shares are trading at just 1.1 times its book value.

### TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) makes a strong case for why it should be the best pipeline stock on the TSX. The name has a well-diversified mix geographically, with one of the more resilient stocks out there having bounced back from the initial 2014 downturn in the price of oil.

The resilient pipeline hasn't been able to steer clear of damage from the COVID-19 crisis, though. More recently, U.S. president Biden spooked TRP investors with his disapproval for the Keystone XL project. I encouraged investors to buy the dip, as TC would likely come roaring back, despite such setbacks, as it always has in the past.

The stock has a 5.7% yield, with Keystone XL woes likely already baked into the share price.

## Badger Daylighting

Last but not least, we have **Badger Daylighting** (TSX:BAD), a firm that owns a fleet of hydrovac-equipped trucks used for non-destructive soil excavation. The company itself is not sexy, but the opportunity at hand is.

As a play on increased infrastructure spending, Badger could soar on the back of an economic recovery out of this pandemic. Badger offers a necessary service that's likely to be in high demand over the next four years. The stock trades a modest 2.3 times sales and 3.9 times book value, making it an underrated "reopening" play for investors hungry for medium-term catalysts for their retirement funds.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
3. TSX:IAG (iA Financial Corporation Inc.)
4. TSX:TRP (TC Energy Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Investing

### Date

---

2025/07/19

**Date Created**

2021/01/22

**Author**

joefrenette

default watermark

default watermark