



## The 2 Best TSX Value Shares to Buy on the Dip Right Now

### Description

If you want to beat the markets [consistently](#) over the long term, you've got to be willing to look to the unloved areas of the market for value. While believers of the efficient market hypothesis may conclude that efforts to uncover hidden value are unlikely to allow one to beat the market averages over the long run, we Fools are always striving to prove it wrong. We believe that [Foolish](#) investors can do better than the market averages. For those willing to challenge the popular thesis on Bay or Wall Street, I think it is possible to put the TSX Index to shame consistently.

### Want to beat the TSX? Be like Warren Buffett and think like a true contrarian

In this piece, I'd like to bring two stocks in the penalty box for all the wrong reasons. Mr. Market doesn't serve up such bargains often, but when he does, it's important to be ready to hit the "buy" button. While extreme discounts aren't as abundant as they were during the ominous depths in March 2020, I still think the following names offer comparable value, given their respective risk/reward profiles at this critical market crossroads.

Although each name may have a higher stock price than back in March, it's important to remember that there is more clarity on the vaccine timeline, making many stocks far less risky than they were earlier last year, when few could see the light at the end of the very dark tunnel.

Without further ado, consider shares of Canadian convenience store and M&A kingpin **Alimentation Couche-Tard** (TSX:ATD.B) and diversified investment manager **ONEX** ([TSX:ONEX](#)).

### Couche-Tard

Couche-Tard stock tanked following news of its pursuit of French grocer Carrefour. Many thought the deal made no sense, given Couche is in the business of convenience stores, not grocery stores. While the deal has since fallen through because of the French government, Couche-Tard stock has not

recovered fully.

Investors appear to be punishing the stock, because of the strategic pivot and its surprising nature. While I am a huge fan of the managers running Couche, I, like most others, was not at all happy with the “shocking” news that ended up amounting to no acquisition being made.

While management is still likely on the hunt for a grocer (perhaps they should consider **Metro?**), I think investors should give CEO Brian Hannasch and his team the benefit of the doubt and forgive them for the surprise. Moving forward, I find it likely that management will better communicate any such major strategic moves in advance to avoid any future negative reactions to “surprising” deals.

While Couche-Tard stock isn’t as cheap as it was in March 2020, I think the risk/reward scenario is the best it’s been in many years, given the recovery trajectory ahead and its demonstrated resilience amid the coronavirus recession. The stock trades at 0.7 times sales and 2.8 times book — a real bargain in my books when you weigh the long-term growth prospects.

## ONEX

ONEX is a firm that found itself at the wrong place at the wrong time. Despite having acquired Westjet Airlines just under a year before one of the worst crises in the air travel industry’s history, I think investors have a lot to gain by forgiving the firm for not having had the agility to pivot to avoid damage brought forth by the COVID crisis.

While several businesses under the ONEX umbrella face an uphill road to recovery, I think that the stock is cheap enough (shares trade at a near 20% discount to book value) such that contrarian investors who buy here will have a nice margin of safety alongside a reasonable amount of upside potential over the coming 18 months on the back of an economic recovery.

I’m still a believer in the managers at ONEX and would encourage investors not to discount their long-term track record of posting solid results versus the market averages.

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