



Forget BlackBerry: 2 Canadian Value Stocks to Buy Now

Description

Over the last few weeks, the interest in **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock has skyrocketed. This was mostly all due to it being one of the stocks included in all the social media hype.

BlackBerry is not a bad company by any stretch of the imagination. However, there is no material reason for the stock to be rallying lately. And as I noted just a few weeks ago, it's considerably overvalued compared to [analyst estimates](#).

Because of that, I would avoid BlackBerry stock for now. Instead, I would look for value where you can find it. These days that means stocks with share prices that haven't fully recovered from the coronavirus pandemic.

It's crucial, though, that investors don't just focus on price. The company, of course, has to be high-quality and in a fairly safe position. So with that in mind, here are two stocks to consider over BlackBerry today.

Forget BlackBerry: consider this top Canadian value stock

The first stock I'd strongly consider over BlackBerry is **Corus Entertainment Inc** ([TSX:CJR.B](#)). Corus is a Canadian media company that's been in turnaround for the last few years. This is significant because the stock has been undervalued for quite some time.

So when the coronavirus pandemic hit, most investors took no chances and sold [Corus](#) off. Despite the pandemic and a fairly significant impact on sales, though, Corus has been resilient. Its free cash flow generation has been extremely impressive, and it's even managed to pay down a bunch of debt.

The debt is what investors have been most worried about, so Corus' performance so far has turned a lot of heads. Investors are regaining faith in Corus, which is why the stock has rallied 35% in the past three months.

Despite this recent rally, it still trades well undervalue. At current prices, the Canadian value stock

trades at a forward price to earnings ratio of just 6.2 times. Furthermore, it trades at just under 4.0 times its fiscal 2020 free cash flow.

At these prices, its dividend yields 4.7% and has just a 33% payout ratio. So on top of being one of the cheapest stocks in Canada, Corus also provides investors attractive passive income. That's why it's just one of the many Canadian stocks I'd consider over BlackBerry today.

A Canadian real estate stock trading at a bargain

Another top Canadian value stock to consider instead of BlackBerry is **First Capital REIT** ([TSX:FCR.UN](#)). Real estate has been one of the best industries you can own for a long time. Over the last year, though, retail real estate stocks have suffered greatly as lockdowns have forced many businesses to close and go online.

First Capital owns retail assets, but the fund is still a mixed-use real estate company. This means in addition to its retail assets that are temporarily struggling; it also owns residential real estate assets that are keeping the funds operations resilient.

It's unclear when retail real estate will rebound fully. However, First Capital's retail real estate portfolio is extremely high-quality.

The fund not only owns assets in prime locations but also has massive staples such as grocery stores and banks as anchor tenants. These companies are not only great tenants to have, but they also drive foot traffic, which helps to sell the adjacent units to smaller businesses.

Rather than BlackBerry, I'd strongly consider First Capital. It's the perfect stock for long-term investors, currently trading more than 33% off its 52-week high.

Bottom line

BlackBerry has caught investors' attention the last few weeks because of the explosive price gains in the stock. At current price levels, though, it seems to be overvalued.

So if you're looking for Canadian stocks with the potential for explosive gains, I'd consider Corus or First Capital. Both companies offer attractive prospects long-term and are trading at massive bargains today.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:CJR.B (Corus Entertainment Inc.)
4. TSX:FCR.UN (First Capital Real Estate Investment Trust)

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