3 Top TSX Value Stocks to Buy Today

Description

It's easy to buy undervalued stocks during a market crash. Most stocks are trading at a steep discount, and you can cherry-pick your favourites at a bargain price. But as the market starts to recover, your options start getting thinner, but they rarely become zero. Even when the economy and the stock market are strong, you might be able to find undervalued stocks with great long-term potential.

A high-yield REIT

Inovalis REIT (TSX:INO.UN) is a Toronto-based REIT with a European property portfolio. The company is currently trading at a 14% discount from its pre-pandemic high. The price-to-earnings is at 4.6, and the price-to-book is 0.7 times, making it very attractively valued right now. But the most attractive number associated with the company is perhaps its mouthwatering 8.7% yield.

The best part about this yield is that it comes with a very stable 41.8% payout ratio. With Inovalis, you don't get a lot of growth potential, but the company managed to keep its stock price quite steady since its inception. The stock made a slow but consistent recovery toward its pre-pandemic highs and could reach its pre-pandemic valuation within 2021.

An insurance company

Manulife Financial (TSX:MFC)(NYSE:MFC), with its $38.3 billion market capitalization, is one of the largest insurance companies in Canada. It has made great recovery strides, and the value is down in only single digits from its pre-pandemic highest valuation, but it's still discounted, and it's undervalued. It's currently trading at a price-to-earnings of just 8.5 and price-to-book of 1.

This undervalued Dividend Aristocrat of seven years offers a decent 4.47% yield as well as limited capital growth potential. Its five-year CAGR (dividend-adjusted) is 11.39%, which is enough to convert a $5,000 investment into $43,000 in a matter of two decades. As both an industry leader and a fundamentally strong company, Manulife is a great bargain at its current valuation.

An undervalued growth stock

If you are looking for an undervalued stock that packs a serious “growth” punch, you might consider **Allied Properties REIT** (TSX:AP.UN). Before the crash, the company grew its market value by over 170% in the last decade. Its consistent growth, a juicy 4.6% yield, and the fact that it’s an eight-year-old Dividend Aristocrat render it a valuable and potentially powerful holding.

The company is relatively undervalued right now and highly discounted. It’s trading at a share price that’s almost 40% down from its pre-pandemic height. But its dividends are sustainable, as per its payout ratio, and there might be a strong chance that it might start growing at the same pace it used to before the market crash.

Foolish takeaway

Undervalued gems that offer both growth opportunities and dividends can be powerful long-term additions to your portfolio. Compared to rapidly growing volatile stocks that might fast-track your portfolio’s growth, these stocks might be winning bets in the long run. And if you can lock-in a decent yield, you might not even need to sell them to realize your gains since you can start a sizeable dividend-based income stream.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
3. TSX:INO.UN (Inovalis Real Estate Investment Trust)
4. TSX:MFC (Manulife Financial Corporation)

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Date
2025/08/25
Date Created

2021/02/24
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