Got $2,000? 3 TSX Bargains to Scoop Up Today

Description

Volatility is back in a big way. Mr. Market pulled the rug from underneath growth investors, and while the biggest losers of Monday could reverse course tomorrow, I'd urge growth-centric investors to have a preference for unloved value stocks when putting new money to work.

As I predicted in prior pieces, 2021 was likely to be a year that would see a return to value. Right now, there's no shortage of value bets out there. And I think they could lead the next upward charge, as the rising bond yield woes continue to apply pressure on the top growth stocks.

Without further ado, consider putting an extra $2,000 in cash to work in TSX bargains like **Manulife Financial** (TSX:MFC)(NYSE:MFC), **IA Financial** (TSX:IAG), and **Bank of Montreal** (TSX:BMO)(NYSE:BMO).

Manulife Financial

Manulife is looking like the new sexy play of 2021, with shares now up a whopping 110% from their March 2020 lows. The rally in MFC stock looks unstoppable, and it's begun to go parabolic amid the latest growth-to-value rotation. Unlike the aftermath of the last crisis (the Great Financial Crisis), Manulife has come roaring back in record time, with shares within 2% of reaching its pre-pandemic 2020 highs.

The company has an outstanding Asian business that'll pick up the slack from the lower-growth North American insurance operations. The stock trades at just 9.1 times earnings, which is ridiculous given the calibre of business you're getting. To make MFC stock even sweeter, it's a great hedge if you're following the bond market and not the Fed, and think rates will rise faster than most expect as a result of stimulus-induced inflation.

IA Financial

Sticking with the insurance theme, we have IA Financial, a lower-growth play with a far lower yield

(2.9% versus Manulife's 4.1%) yield. The underrated IA may be less attractive than the likes of a Manulife. Still, I think it's a mistake to overlook the competent managers running the show who are well-known for their prudence and effective management through crises and downturns.

The company is never stretching itself too far, and that's a major reason why the insurer is among the first of the pack to come bouncing back after a crash. Like Manulife, IA Financial stock has participated in the past year's financial bull market in a big way, blasting off 114% off its lows of last year.

At 11.8 times earnings, the stock is too cheap and wouldn't be against loading up on shares as the stock's recovery trajectory goes parabolic.

Bank of Montreal

Remember when analysts were slamming the big Canadian banks over the numerous headwinds? As it turned out, it was a good idea to go against popular opinion by backing up the truck on the most battered of bank stocks at their moment of maximum pessimism.

Bank of Montreal nearly shed half its value during last year's coronavirus crash, only to come roaring back over 75% in the following months. BMO did not have the best commercial loan book going into the crisis, to say the least. It had a front-row seat to the most at-risk industries (think oil and gas). As it turned out, the concerns were overblown, and those who gave and its old dividend the benefit of the doubt were able to lock-in a 6-8% yield alongside some rapid capital gains.

Loan losses are fading, and BMO will be back to growing its earnings on the other side of this pandemic. The "steal" is gone, but the deal isn't. I still see ample value in the stock and its 3.9% yield, as we may be propelled into a rising-rate environment far sooner than expected.

CATEGORY

1. Bank Stocks
2. Dividend Stocks

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:BMO (Bank Of Montreal)
4. TSX:IAG (iA Financial Corporation Inc.)
5. TSX:MFC (Manulife Financial Corporation)

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Dividend Stocks

Date
2025/08/23
Date Created
2021/03/09
Author
joefrenette