



## 2 Top Canadian Value Stocks That Could Skyrocket Into Year's End

### Description

Growth had its day in the limelight — now it's time for top Canadian value stocks to shine. With the 10-year U.S. Treasury note yield surging, though, I expect value will continue to outshine growth going into year's end. So, if you're looking for market-crushing returns this year, it may be worthwhile to stick with the unloved Canadian stocks that I believe are likelier to skyrocket into the stratosphere by year's end than [the biggest 2020 winners](#), which could become 2021's biggest losers.

Without further ado, let's get into the top Canadian value stocks to buy ahead of the economic reopening. Consider **Bausch Health Companies** ([TSX:BHC](#))([NYSE:BHC](#)) and **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)). The latter stock is for prudent investors looking to maximize their risk/reward, while the former pick is for more venturesome deep-value investors who are willing to risk it all for a shot at landing a grand-slam home run.

### Icahn could make this stock iconic

Bausch Health should never have [imploded](#) the way it did back in the coronavirus crash. Shares have been surging back of late, thanks in part to legendary activist investor Carl Icahn, who recently announced his stake in the company. The man is no stranger to pushing for major change to unlock value for shareholders. And I think there are ample opportunities for the man to work his magic at Bausch.

With the incredible CEO Joe Papa at the helm, Bausch is in good hands as it continues to chip away at its debt load. With Icahn's guidance, I believe Bausch stock is a must-buy while the Canadian value stock is still relatively cheap versus the likes of its peers.

Sure, the firm has a troubled history, but it's moved on from that, with wonderful assets and a major eyecare spin-off that could create meaningful value for both the spinner and the spinee. BHC stock has been more volatile than the market, with its 1.55 beta, but at 1.5 times sales and 9.3 times cash flow, value investors have many reasons to ride the choppy Canadian health care play.

## A top Canadian value stock to bank on

Things are looking up for the Canadian bank stocks of late. They've been soaring out of their 2020 lows, and thus far, they haven't looked back. Bank of Montreal is one of my top bank stock picks at this juncture. Shares recently made a fresh all-time high, yet shares still look undervalued when you consider the likelihood that interest rates will rise within the next three years.

In any case, the steepening bond yield is good news for the big banks, who've been getting by on thin net interest margins (NIMs) for quite some time. With oil on the rise, BMO's oil and gas (O&G) exposure isn't nearly as rancid as it was a year ago when oil prices went on to flirt with negative territory.

BMO also boasts lower exposure to Canada's bubbly housing market, making it a top value pick for bank investors who don't are a tad worried about the possibility of a Canadian housing meltdown. BMO stock will still take a hit, but not nearly as much as some of its peers.

With a 3.8% yield to collect while you wait, BMO is an income, momentum, and value stock rolled into one.

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### TICKERS GLOBAL

1. NYSE:BHC (Bausch Health Companies Inc.)
2. NYSE:BMO (Bank of Montreal)
3. TSX:BHC (Bausch Health Companies Inc.)
4. TSX:BMO (Bank Of Montreal)

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