2 Top Value Stocks to Buy Before Air Canada (TSX:AC)

Description

A market rebound may be underway, but you wouldn't think so for **Air Canada** (TSX:AC). The company reached all-time highs last year before crashing during the pandemic. Shares continue to trade at about half of those all-time highs, sinking and rising around $25 per share.

Now if you got in at the bottom, you'd still be laughing. But investors are now wondering whether it's still a great buy. But here's the problem: travel. COVID-19 and any variants continue to ravage the world, Canada included. That means it's going to take not just our country but practically every country before Air Canada stock can return to normal.

The airline industry will have a lot of work to do to convince passengers it's safe to travel once more. And that's going to take a lot of investment. Even with a government bailout, it will be years before you see another rise to $50 per share. If you're patient, great! Hold on for now. If not, it might be time to consider stocks that will see stronger returns, and a lot sooner.

TD Bank

The Canadian banks are one of the best places to start for investors looking for steady growth and stable dividends. The banks already prepared for an economic downturn before the crash. While no one could have predicted a pandemic, the banks were at least in a better position.

Long term, bank stocks like **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is a solid play for international exposure and growth. The company has one of the highest exposures to the United States, where it's one of the country's top 10 banks. The United States' economy should bounce back before Canada, so any exposure is great exposure.

But even with shares up 45% in the last year, the stock is still a great buy with a price-to-sales (P/S) ratio of 4 and price-to-book (P/B) of 1.7! It's a great value play with plenty more room to grow. Plus there's the bank's 3.83% dividend yield, a yield that's been paid out for 160 years!

Great-West Lifeco

Great-West Lifeco Inc. (TSX:GWO) may not be another major bank, but it's a major financial institution combining the top three insurance companies under its umbrella. The company crashed by almost 40% during the March crash, but since then is up almost 50% as of writing!

I would add Great-West stock to my watch list again from its exposure, not just to the United States but around the world. Great West is in almost every continent, but still has room to grow in Asia. All of this diverse exposure makes it a great stock to buy during a rebound.

The company provides reliable revenue, and a stable dividend from its insurance business. The stock has an incredible P/S ratio of 0.5, and P/B ratio of 1.5 despite climbing back toward pre-pandemic share prices — and with a 5.29% dividend yield! That makes this stock a prime pick in today's market.

Foolish bottom line

If you want to buy Air Canada stock and hope for a quick rebound, or be patient, that's up to you. But right now there are other value stocks in play that could make you serious cash in the short and long term. And these also come with a dividend that will keep paying for years to come!

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TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:AC (Air Canada)
3. TSX:GWO (Great-West Lifeco Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

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