



2 Brilliant TSX Stocks That Are Absurdly Cheap Right Now

Description

A pair of brilliant **TSX** stocks are trading at absurdly cheap prices in April 2021. If you need to fortify your stock portfolio, consider adding **Loblaw** ([TSX:L](#)) and **Jamieson Wellness** ([TSX:JWEL](#)). Market analysts are bullish on both stocks and forecast the prices to appreciate by no less than 25%, on top of the [recurring dividend payments](#).

New direction

Loblaw is a high-quality consumer-defensive stock. The [valuation is cheap](#) relative to the rest of the market. While the business model is low-margin, food and pharmacy are essentials regardless of the economic environment. It's an outstanding stock to park your money during recessionary periods.

The \$24.44 billion iconic Canadian brand pays a modest 1.9% dividend. More importantly, you have a secure income provider in case of downturns or elevated market volatility. A changing of the guard in 2021 augurs well for Loblaw too.

On May 6, 2021, Loblaw Executive Chairman Galen G. Weston will assume the role of Chairman and President, succeeding long-time head Sarah Davis. Weston is the concurrent Chairman and CEO of Canada's **George Weston Limited**. The latter owns Loblaw. The company will also have a new CFF and COO.

The sale of Weston Foods prompted the changes at the top. Weston will dedicate his time and energy to Loblaw. The game plan is to increase momentum in Loblaw's bricks-and-mortar network, while cementing its leadership in digital and data. Besides Loblaw, George Weston Limited also owns **Choice Properties Real Estate Investment Trust**.

Loblaw is Canada's largest retailer (food and pharmacy) and the largest employer in the private sector. The company, including franchisees and associate-owned stores, employs 190,000 employees, full and part-time. A potential growth driver is Loblaw's foray into the digital health industry.

Quest for health and wellness

Jamieson Wellness was a TSX frontrunner last year following the coronavirus breakout in March 2020. The global pandemic was a big lift for the \$1.49 billion manufacturer, distributor, and seller of natural health products in Canada and globally.

The company is well positioned to capitalize on the growing health concerns of people. In one segment, Jamieson Brands offer health products such as vitamins, herbals, and mineral nutritional supplements, plus over-the-counter remedies.

The Strategic Partners segment provides manufacturing and product development services to blue-chip consumer health companies and retailers on a contract manufacturing basis.

If you were to snag the stock today, the share price is \$37.55, while the dividend yield is 1.33%. The dividends should be safe, given the 46.53% payout ratio. Investors are up by only 4.31% year-to-date, although market analysts recommend a buy rating. They forecast the price to top \$50 (+33%) in the next 12 months.

Jamieson Wellness's financial results for the full-year 2020 were impressive. Revenue increased 17.0% to \$403.7 million versus the full-year 2019. Adjusted net income increased 25.8% to \$47.9 million. Expect the company to deliver stellar results in the years ahead with people's never-ending quest for health and wellness. COVID-19 is disastrous to many businesses but a boon for Jamieson.

Visible growth potentials

Loblaw and Jamieson Wellness are screaming buys. The first is taking a new direction to cement its leadership position in the retail industry. The business of the second will grow further with the present-day health trend.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)
2. TSX:L (Loblaw Companies Limited)

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