



Canadian Investors: 2 Top Value Stocks I'd Buy Right Now

Description

It was a tough week for Canadian investors, as inflation fears were felt across the broader basket of stocks. If you're overweight growth and have suffered more damage than the market indices, that may be a sign that you should look to load up on value stocks to bring your portfolio back into balance. While I wouldn't dump your hard-hit growth stocks now that they've already suffered a majority of the damage, I would look to have a strong preference for value with your future buys.

Canadian investors should look to names like **Canadian Tire** ([TSX:CTC.A](#)) and **Spin Master** ([TSX:TOY](#)). Each modestly valued stock can help dampen any future inflation scares that could bring even more pain to tech and growth stocks.

Canadian Tire: The iconic retailer has never looked better

Don't look now, but Canadian Tire is back and breaking out to new all-time highs just a year after the stock nearly shed half of its value in a matter of weeks. Indeed, stocks tend to take the elevator down and the staircase up. In the case of Canadian Tire, the incredibly resilient retailer had effectively leveraged its digital platform to propel the firm out of its funk. As it turned out, the coronavirus sell-off was overblown beyond proportion! And those who stood by the tried and tested discretionary retailer got richly rewarded.

Even during the third wave of COVID-19 restrictions, Canadian Tire has continued chugging along. With the great reopening in sight, the iconic retailer could be headed to even higher highs as it navigates through the early stages of this economic expansion.

Despite soaring 150% in just over a year, the stock is still pretty cheap at just 13.7 times earnings. The 2.3% dividend yield is also well positioned to grow moving forward, as the iconic retailer finally sees the tides turning in its favour for a change.

Spin Master: Underrated growth for Canadian investors

Spin Master is a toy maker that's also found a way to adapt during lockdowns. Like Canadian Tire, which saw its online sales soar triple-digit percentage points, Spin Master witnessed incredible triple-digit growth in its digital games segment, led by the *Sago Mini* line of digital games, which now boasts over a quarter of a million subscribers (up a whopping 70% year over year).

The digital gaming business is still a relatively small portion of the Spin Master pie. However, if it can sustain these incredible growth rates, Spin could eventually see digital games act as the major needle mover in the stock.

[Some Fools](#) view Spin Master as the next Roblox. While such a statement may seem far-fetched today, I do think that in 10 years, Spin Master could evolve to become as much of a digital gaming company as it is a toy maker; if that occurs, there will likely be a need for a massive re-valuation to the upside.

At the time of writing, shares of Spin Master trade at 2.2 times sales and 4.3 times book value. That's not a high price for Canadian investors to pay for a firm whose management team has demonstrated time and time again that it has [innovation](#) flowing through its veins.

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TICKERS GLOBAL

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2. TSX:TOY (Spin Master)

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