



Got \$1,000? Buy These 3 Undervalued Gems Today

Description

In these otherwise [overvalued markets](#), it can certainly be difficult to find winners. Indeed, stocks remain above historical averages, boosted by continued near-record-low interest rates.

However, there are certain companies that *do* represent great value today. Among the top picks I think investors should consider are the following three companies.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.A)(TSX:ATD.B) is one of the first names which come to mind when considering [undervalued stocks](#). Trading at nearly 15 times earnings provides an intriguing entry point for value-based investors.

In the case of Couche-Tard, the company's growth-by-acquisition strategy has taken a slower pace of late. Accordingly, the market has turned sour on this former growth gem. A failed bid for French retailer **Carrefour** and a lack of deal flow has made the investment thesis difficult for this stock of late.

However, I believe Couche-Tard's decision to wait and see in the markets is a good one. The company's management team is known to be ultra-prudent with its acquisitions. It doesn't overpay for deals. Accordingly, long-term investors with faith in Couche-Tard's team should simply sit and wait on this one.

Additionally, as a pandemic reopening play, there's much to like about Couche-Tard. It has a number of catalysts in its corner, which I see materializing shortly.

Kirkland Lake Gold

As gold takes off above \$1,900 per ounce today, investors may think now is not the time to get into the gold mining space. I disagree.

World-class miners like **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) are still cheap. In fact, on a relative historical basis, miners haven't been this cheap in a very long time.

There are reasons for this. Decades of historically poor capital allocation have put gold miners in the penalty box. Investors appear to be cautious with these equities given the rise in gold of late. Indeed, gold prices have been on an upward trend, but there are those who believe other hedges do a better job in this environment.

That said, Kirkland Lake's valuation of only 16 times earnings is enticing. This gold miner also provides investors with a 1.8% dividend, further attracting long-term investors to this name.

I think the company's high-quality mines and sky-high operating margins will eventually result in this stock shooting higher. It's just a matter of time.

Manulife Financial

In the financials space, **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) remains one of the top value options today.

Manulife is one of the heavyweights in financial protection and wealth management services, operating in over 20 countries. It's a company with a sizeable footprint in Asia and carries tremendous long-term growth potential. Currently, it's trading at a discount of roughly 20% to many of Canada's big banks.

Sounds like a good deal to me.

Insurers like Manulife may battle interest rate headwinds for some time. But for now, picking up shares of such companies while they're cheap makes all the sense in the world.

CATEGORY

1. Bank Stocks
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POST TAG

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2. banking
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TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:MFC (Manulife Financial Corporation)

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