



## Value Investors: 3 Dirt-Cheap Picks to Load Up on Today

### Description

In a volatile market, investors may be (rightly) growing wary of investing in stocks with outrageous valuations. Such a strategy certainly makes sense. Accordingly, those seeking better risk-adjusted returns may be seeking out some dirt-cheap picks to focus on right now.

As the market continues to recover from the pandemic, there happen to be a few such [undervalued](#) gems on the TSX that I think are worth looking at. These three stocks are certainly among the best. These are all companies that are well poised to benefit from an economy that's revving up.

Let's have a glance.

### Alimentation Couche-Tard

**Alimentation Couche-Tard** (TSX:ATD.B) continues to be on my list of best, affordable growth plays. In fact, this gas station and convenience store purveyor remains one of my [top picks](#) overall in this environment.

The main reason for this is the company's strong fundamentals and current valuation. Finding value picks in this market is nearly impossible. However, Couche-Tard's multiple of approximately 15 times earnings is about as cheap as long-term investors can ask for today.

Couche-Tard's growth profile as an acquirer of distressed/undervalued assets makes this valuation seem ridiculously cheap. I think the company's added pandemic reopening thesis adds to this thesis considerably. Accordingly, as we all start filling up our tanks and stopping for snacks more often, Couche-Tard is a stock that retains a tonne of upside potential today.

There's really no reason this stock should be trading at this level. But it is. Accordingly, value investors should jump aboard before Couche-Tard takes off. I think that could be soon.

## Fortis

In terms of Steady Eddie dividend stocks, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) continues to be one of my top picks. And for good reason.

Fortis's main attraction to income investors is the company's dividend-growth track record. For nearly five decades, the company has consistently raised its annual distribution. For those entering or nearing retirement, this is a very important factor to consider.

Indeed, those with longer-term investment time horizons, this stock is still one to consider. Dividends provide an important part of the total-return package investors want. And Fortis's regulated revenue streams provide cash flow stability — unlike most stocks on the market today.

Indeed, Fortis is a company to stick in an RRSP and forget about for a few decades. It may not be the fastest-growing stock out there. But it's one of the safest and most reliable dividend stocks on the market. I's got tremendous value for long-term income investors.

## Manulife

In the financials space, **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) is a great long-term pick. And much of the reason many investors like it is the company's current valuation relative to its financial peers.

Compared to the broader banking sector, Manulife's current valuation multiple is between 10% and 20% lower than the sector. This discount provides incredible upside for those bullish on Manulife.

Indeed, the company's growth profile in Asia makes this insurer one to keep an eye on right now. I view Manulife as one of the safer plays in the market today. Accordingly, I'd invite long-term investors to consider this company as a core retirement holding over the coming decades.

Manulife isn't as cheap as it was a year ago. But then again, most stocks aren't. However, this company's current valuation is one I think undervalues Manulife's long-term cash flow growth. For those with long-term investing time horizons, that's a good thing.

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## TICKERS GLOBAL

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

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