



3 Top Canadian Value Stocks to Consider Right Now

Description

Diversification is a primary goal of investors in properly designing a portfolio. And having a strong allocation to [value stocks](#) is a great way to gain such diversification.

In this article, I'm going to discuss three top-notch value picks in the Canadian market right now. These stocks are among the best-quality value picks in Canada today.

Let's dive in.

Alimentation Couche-Tard

The growth potential of **Alimentation Couche-Tard** (TSX:ATD.A)(TSX:ATD.B) makes this [top value pick](#) seem even more attractive than with most Canadian value stocks. Indeed, Couche-Tard is on track to double its profits over the next five years, according to analysts. For many, this makes Couche-Tard more of a growth pick than a value option today.

However, the company's valuation tells a different story. Currently, Couche-Tard trades at just 15 times earnings. For a company with high-quality growth potential like Couche-Tard, that's dirt cheap.

Indeed, Couche-Tard's consolidation strategy in the gas station and convenience store space has worked wonders for long-term investors. I expect more of the same from this great value pick today. Currently, Couche-Tard provides investors with a dividend yield of around 0.8%, which is a freebie in my view.

Kirkland Lake Gold

In the gold mining space, **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is simply one of the best stocks in the market right now.

This gold miner's valuation makes Kirkland Lake seem like an underperformed stock. However,

nothing could be further from the truth. The company has not only increased production of late but is on track to double its production over the next five years. Given rising gold prices, this translates into some absolutely impressive cash flow growth potential.

Kirkland Lake has been returning its cash flow aggressively to investors via dividend hikes of late. Accordingly, this stock provides a unique dividend growth angle in an otherwise boring mining sector.

For those bullish on gold, and the hedging value it provides to portfolios, Kirkland Lake is a top pick that shouldn't be ignored right now.

Cenovus

As far as energy stocks go, **Cenovus** ([TSX:CVE](#))([NYSE:CVE](#)) remains one of the top Canadian picks. Indeed, this company's exposure to commodity prices has worked well for investors of late. With oil now hovering near highs not seen since the height of the previous commodity bull market, Cenovus could continue to outperform for some time.

Now, investing in a pure-play energy stock like Cenovus requires a conviction that energy prices will remain robust for some time. However, for those who are bullish on the medium-term outlook of this sector, Cenovus is about as high-quality of a pick as investors can get today.

The company's current valuation multiple prices in a tremendous amount of downside risk right now. Accordingly, this stock remains an attractive energy play with lots of upside remaining right now.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:CVE (Cenovus Energy Inc.)

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