



Value Investors: 2 of the Best Value Stocks to Buy This Month

Description

The **S&P/TSX Composite Index** enjoyed a strong rally since the end of January 2021, climbing more than 17% between the start of February and the first week of July 2021. The rallying equity market might make it seem that value investment opportunities will be impossible to find on the stock market. However, there are a few high-quality stocks that continue to trade at attractive valuations.

If you are searching for value investments, you could consider looking for and [investing in growth stocks](#) that fit the bill. Today, I will discuss two of the [best value stocks](#) that you can buy this month to enjoy substantial long-term returns.

Suncor Energy

Trading for \$25.38 per share at writing, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock is up by 12% in the last 12 months. The stock boasts a 3.31% dividend yield that is supported by its improving performance, as the energy sector rebounded in 2021 after a tough year in 2020. The reopening economies amid improving conditions concerning the COVID-19 pandemic led to energy stocks rallying this year. However, the rising crude oil prices are back towards a downward trend due to new variants causing the fourth wave of COVID-19 infections.

Despite its near-term challenges, Suncor Energy stock could prove to be a valuable investment for you to consider adding to your portfolio. The current volatility in the market created by Delta variant fears has already caused Suncor stock to decline by 18.84% since June 15. It could be an excellent time to pick up its shares on a discount for long-term gains, as global economies recover.

Algonquin Power & Utilities

The renewable energy sector has become one of the primary industries on the radar for many value investors, especially after the boom in the industry that started in 2020. **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is a utility sector operator that generates at least a third of its revenue through its renewable energy assets.

The company owns and operates a wide range of fossil fuel-based and renewable energy assets to provide power to its customers. The first quarter of fiscal 2021 saw the company report that its wind facilities operating in Texas were affected by extreme weather, causing the revenues from its renewable energy operations to decline. However, its utility operations managed to offset the company's losses.

The company generates two-thirds of its cash flows through highly regulated assets, providing it with predictable cash flows. Between its consistent cash flows through utility operations and potential growth through its renewable energy assets, Algonquin Power & Utilities could be a valuable addition to your portfolio for the long run.

Foolish takeaway

Considering the strong run that the Canadian stock market has enjoyed throughout the first half of 2021, it might seem impossible to find value stocks that you could invest in right now. However, self-directed investors can find value stocks even in the current market conditions that can provide them with [substantial wealth growth in 2021](#) and beyond.

Suncor Energy stock and Algonquin Power & Utilities stock could be excellent stock picks for investors who want to invest in value stocks that can make them wealthier investors in the long run.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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