3 Deep-Discount Value Stocks to Buy in August

Description

August is shaping up to be a pretty tame month for the markets. The TSX is up only 0.56% for the month so far, and the U.S. indexes are up only a little more than that. If you're looking for big gains, you're probably feeling a little underwhelmed right now. But that doesn't mean there aren't good stocks out there to buy and hold. Value stocks presently sport some of their best fundamentals since COVID-19 hit in 2020, and many of them still trade at low multiples. In this article, I'll explore three TSX value stocks worth considering in August.

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Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) is a Canadian energy stock that has some cheap valuation metrics. Its forward P/E ratio is 8.2, its price/sales ratio is 1.17, and its P/B ratio is 0.98. This means that when you buy SU stock, you're technically paying less than the value of its assets, net of debt. Of course, if the company collapses in the next year, then that won't matter, because it won't be generating earnings. But this year, we have seen oil prices rise, leading to much higher profits for Suncor than the company produced in 2020. It's definitely a value stock and COVID-recovery play worth considering.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is a Canadian bank stock that trades at about 10.6 times GAAP earnings, 3.7 times sales and 1.6 times book value. These are pretty low multiples for most stocks, although not incredibly low for banks specifically. Banks generally trade at low multiples, because the industry's expected growth is not that high. Nevertheless, TD does have some growth potential. It has a huge U.S. retail business that is ranked as the ninth-biggest retail bank in the United States. It's a huge player on the East Coast, yet it has barely touched large West Coast markets like California and Nevada. If TD does start breaking into those markets, then it will continue growing and probably increasing its dividend, too. So, this is one bank stock that has the potential to reward patient investors handsomely.

Corus Entertainment

Corus Entertainment (TSX:CJR.B) is one absolutely dirt-cheap Canadian stock. Trading at 6.3 times earnings, it's about as cheap as you're likely to find anywhere. Having said that, this company is in a declining industry. It's a radio and TV station company; both industries are losing out to digital media. The company is investing in streaming and other digital media, but the investments didn't save the company from negative growth in earnings and revenue in 2020.

With all that said, the COVID-19 pandemic was tough for traditional media advertising, and things will likely begin to turn around this year. There is some potential with Corus stock going forward. I myself will not be buying it, but it's definitely a potential value play worth researching further.

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