



3 Undervalued Canadian Stocks to Add Before They Jump

Description

Finding value in today's market is the goal of most investors. However, given where valuations are today, it's an ambitious goal. That said, there happen to be a number of [undervalued](#) Canadian stocks just begging to be bought today.

In this article, I'm going to highlight why **Alimentation Couche-Tard** (TSX:ATD.A)(TSX:ATD.B), **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)), and **Killam Apartment REIT** ([TSX:KMP.UN](#)) fit this description. Indeed, these are stocks I've been pounding the table on of late. Here's why.

Top undervalued Canadian stock: Alimentation Couche-Tard

Couche-Tard is perhaps one of the best value picks on the **TSX** right now.

This company's a key global player gas station and convenience store business. Indeed, over the years, Couche-Tard has developed best practices in its sector, consolidating relatively fragmented corners of the market. The result has been greatly improved returns for investors and impressive cash flows.

Couche-Tard has funneled these higher cash flows into additional acquisitions, share buybacks, and dividends over the years. However, it appears that with a lack of deals available at the right price, Couche-Tard is going to focus more on organic growth from here.

For long-term investors looking at Couche-Tard's track record of growth, that's not a bad thing.

Manulife

Manulife is one of my top picks in the insurance industry for a number of reasons.

From a growth perspective, Manulife's exposure to China is something I view as a key driver. The company recently announced that it will be taking over a higher percentage of its joint partnership in

Asia. I think this is simply a growth lever that's too juicy to ignore for long-term investors.

Additionally, the company's fundamentals are excellent. Manulife provides investors with a solid balance sheet and an excellent track record of managing risk well. This has allowed Manulife to pay out a sector-beating [dividend yield of 4.5%](#). For long-term investors, these fundamentals are hard to find in today's market. Manulife is certainly a company that deserves a look.

Killam Apartment REIT

Killam is one of the top REITs on my watch list right now. This REIT focuses on developing residential and mixed-use properties across Canada. In particular, Killam is focused on Atlantic Canada, a region I view as underserved and holding excellent value.

In addition to holding a portfolio of real estate that's well-located, Killam's positioning couldn't have been stronger through the pandemic. Folks need a place to live, and paying rent is a higher priority than most other things. Additionally, generous government support programs have improved Killam's outlook to a degree I didn't think was possible initially.

Moving past the pandemic, Killam is a company providing investors with meaningful income and capital appreciation potential. Indeed, this is a slow-and-steady stock I can see providing investors with maybe 10% a year over the long term. That's certainly not bad and makes for an intriguing opportunity for those looking for long-term value.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:KMP.UN (Killam Apartment REIT)
4. TSX:MFC (Manulife Financial Corporation)

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