



3 Top Canadian Value Stocks to Buy Right Now

Description

The recent statement by the U.S. Federal Reserve Chairman Jerome Powell that the rate hikes are unlikely to happen anytime soon appears to have improved investors' sentiments, driving the Canadian equity markets higher. Amid the recent surge, the **S&P/500 Composite Index** is trading around 18.4% higher for this year. The steep increase in Canadian stocks this year has pushed their valuations higher. However, here are three stocks that are still trading at attractive valuations and provide excellent buying opportunities.

BCE

I have opted for **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), one of the three leading telecom players in the Canadian market, as my first pick. Over the last four quarters, the company has added 115,916 new customers, thanks to its investments in expanding its 5G, fibre, and rural wireless home internet networks. Meanwhile, the company recently acquired 271 new licences by spending \$2.07 billion. These spectrum wins could aid the company in expanding its 5G coverage across the country.

The company is continuing with its accelerated capital spending, strengthening its 5G network, wireless home internet, and broadband services for rural and remote communities across various provinces. Along with these initiatives, the improvement in economic activities and roaming revenue amid the easing of travel restrictions could boost the company's financials in the coming quarters.

Despite its healthy growth prospects, BCE's valuation looks attractive. Currently, its forward price-to-earnings and forward price-to-sales multiples stand at 19.8 and 2.4, respectively. Further, it also pays a quarterly dividend of \$0.875 per share, with its forward yield standing at 5.39. So, [I believe BCE would be an excellent addition to your portfolio.](#)

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) provides utility services to around one million customers across North America. It also operates several renewable power-generating facilities while

selling the power through long-term agreements. Given its low-risk, regulated assets, the company's financials are usually stable.

Meanwhile, Algonquin Power & Utilities's management is expanding its utility and power-generating facilities and has [invested around \\$3.15 billion](#) in the first six months of this year. Further, the company expects to invest a further \$6.3 billion over the next four-and-a-half years, boosting its assets and financials in the coming years. Meanwhile, the company could also benefit from an increased transition towards clean energy.

However, amid the weakness in the renewable energy segment, it has lost over 6% of its stock value this year. The decline in its stock price has dragged its valuations down, with its forward price-to-earnings multiple standing at 18.9. Meanwhile, Algonquin Power also pays a quarterly dividend, with its forward yield standing at a healthy 4.34%.

Suncor Energy

Despite the recovery in energy demand, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) still trades over 40% lower than its pre-pandemic levels. Also, its forward price-to-sales and forward price-to-earnings multiples stand at 0.9 and 7.3, respectively. Meanwhile, the easing of restrictions amid widespread vaccination and slowdown in new infections have improved economic activities, driving oil demand and prices higher. Suncor Energy, with its integrated business model, is well equipped to benefit from higher oil prices.

The company looks to expand its base business while optimizing its integrated value chain. It has planned to invest around \$5 billion over the next five years. These initiatives could boost its EBITDA by \$2 billion per annum. Further, Suncor Energy's cost-cutting initiatives and debt-reduction programs could drive its financials in the coming quarters. So, I am bullish on Suncor Energy. It also pays quarterly dividends, with its forward yield currently standing at 3.47%.

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2. NYSE:BCE (BCE Inc.)
3. NYSE:SU (Suncor Energy Inc.)
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5. TSX:BCE (BCE Inc.)
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