



1 of the Best TSX Value Stocks Worth a 2nd Look

Description

We keep hearing from various individuals that the stock market is getting [expensive](#) or that a vicious selloff is on the horizon. Such bold calls should not be a surprise, though. We've been hearing the same thing for many months on end. Undoubtedly, if you took such advice, you would have missed out on some pretty [stellar gains](#) in what's shaping up to be one of the best years for the stock market in recent memory. Can this pace continue? Probably not. But if you insist on value, I think you can put the broader markets to shame.

Value may be hard to come by on the U.S. exchanges. But north of the border, here on the **TSX Index**, there's no shortage of value out there. You don't need to load up a screener to spot such opportunities either. Many of the best ideas, I believe, are hiding in plain sight, as I've noted in numerous prior pieces. On average, the TSX seems like a lower-cost way to play the great economic reopening or the Roaring 2020s.

The TSX reeks with value

Moreover, in terms of the percentage of the population that has been vaccinated, Canada comes out on top. As such, the recovery trajectory in Canada may be somewhat more pronounced versus the U.S. over the next 18 months. And for these reasons, I find few reasons for Canadians to venture south of the border for their next big investment purchase. There are just way too many good deals on this side of the border. Add the sagging loonie (now below US\$0.80) into the equation, and I think the answer is clear for Canadian value investors.

Undoubtedly, the TSX Index is overweighted in less-desirable sectors like financials and energy. While I am mildly bullish on both sectors, I'd encourage investors to look beyond them to neglected, underweighted areas such as the consumer discretionary or staples, both of which I think reek of value.

Without further ado, consider **Canadian Tire** ([TSX:CTC.A](#)), one of many dirt-cheap TSX stocks that strikes me as a screaming bargain going into September.

Canadian Tire

Canadian Tire is a top brick-and-mortar retailer that has already proven its resilience. The e-commerce business stepped in when it counted most amid COVID lockdowns. But as digital retail takes a step back in favour of physical retail, I think Canadian Tire can really shine. At its heart, Canadian Tire is a brick-and-mortar stud. And as more people get vaccinated, they're probably going to want to head down to the Canadian Tire down the street to pick up their goods rather than ordering online.

There's a Canadian Tire store close to the average Canadian, and it's this physical advantage that could give the retailer the most room to run over the next 18 months as things become more normal. In any case, Canadian Tire gives consumers the option of where they want to shop. As the roster of exclusive merchandise, which most recently includes pet food, continues to expand, I'd look for Canadian Tire stock to re-value considerably to the upside.

It's more resilient than most physical-first retailers. And it's incredibly well managed. At 12.8 times trailing earnings, Canadian Tire stock is a screaming bargain!

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