



2 Top Canadian Value Stocks to Buy This Month

Description

Value investors had the perfect opportunity to pick up shares of high-quality companies trading for [massive discounts during the sell-off frenzy](#) last year. Most of the stock market recovered to pre-pandemic levels in a matter of months and has now surpassed previous highs.

The **S&P/TSX Composite Index** is up by 18.79% at writing in 2021 as the economic expansion shows no signs of slowing down by a significant degree any time soon. With no announcements for rate hikes on the horizon, investor sentiment is relatively high, and it has been pushing the Canadian stock market higher.

A market environment that seems increasingly bullish despite the ongoing challenges caused by the pandemic makes it seem that it is impossible to find stocks trading for less than intrinsic values. However, value stocks are not just high-quality stocks trading for a discount. A company that is trading for less than its future potential may also qualify if you can buy its shares before it rises too high.

There are a few high-quality companies trading for attractive valuations on the stock market. Knowing [how to find undervalued stocks](#) is the key to make the right stock picks. Today, I will discuss two Canadian value stocks that you should have on your radar if you're in search of a good bargain.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is a \$12.41 billion market capitalization company that provides utility services to around a million customers throughout North America. The company relies mostly on selling power through long-term contracts, providing it with stable cash flows. The low-risk business also operates several renewable power-generating facilities that make it an attractive asset to consider for value investors.

The company's management is busy expanding its utility and power-generating facilities. Additionally, the company could see massive profits come in as the transition to renewable energy becomes more mainstream in the coming years. Weakness in the broader renewable energy industry has dragged its share prices down and inflated its dividend yield.

At writing, the stock is trading for \$19.61 per share and boasts a juicy 4.36% dividend yield that could make it a bargain for investors today.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is the ideal stock to buy if you are looking to capitalize on the strength of Canada's resilient telecom sector. The last four quarters have seen the \$59.53 billion market capitalization telecom giant add almost 119,000 new customers, due mostly to the company expanding its 5G fiber and rural wireless home internet infrastructures.

The company has increased its capital spending on improving its 5G network and plans to provide its 5G services to 70% of the country by the end of 2021. Its expenditure on improving broadband services for remote and rural communities across several provinces and bolstering its home internet services have sent the share prices higher, but the stock still has a long way to go before it realizes its growth potential.

At writing, the stock is trading for \$65.73 per share and provides shareholders with payouts at a juicy 5.32% dividend yield. It could be well worth your investment to buy BCE shares today.

Foolish takeaway

Identifying assets that have significant upside potential can be critical in ensuring that you can become a much wealthier investor in the long run because it can help you invest in high-quality assets at an attractive price and benefit from capital appreciation in the long run.

Algonquin stock and BCE stock are two such assets that you should have on your radar if you are looking for value stocks that you can [buy and hold](#) for the long run and grow your wealth as the companies appreciate.

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2. Energy Stocks
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2. NYSE:BCE (BCE Inc.)
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