



2 Top Canadian Value Stocks That Won't Be This Cheap Forever

Description

Today, growth stocks appear to be the only focus for many investors. However, finding [top-quality value](#) stocks with great growth trajectories should be the focus of investors right now.

As it happens, there are a few great options in Canada to choose from in this regard. Here are three of my top picks for those seeking value-oriented growth right now.

Manulife

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) is the largest insurance company in Canada with a [market cap of over \\$46 billion](#). However Manulife is more than just an insurance play. In addition to insurance, the company offers wealth management and asset management operations in Canada, the U.S., and Asia. These other divisions have actually performed very well of late and are key growth drivers for the company.

Like other players on this list, Manulife has been paying dividends for quite some time. Since 2014, Manulife has delivered consistent dividend hikes, resulting in a yield of 4.7% today. That's juicy compared to where bond yields are at right now.

However, what's particularly intriguing about Manulife to me is the company's valuation, relative to other large-cap financials stocks. Indeed, Manulife's valuation of only 6.6 times earnings is dirt cheap. Compared to the big banks, many of which have multiples that are double that of Manulife, this is a valuation that's hard to find today.

I think Manulife's impressive earnings improvement and forward-looking prospects are solid. Accordingly, this stock remains one of the top value stocks I'd recommend investors consider right now.

Kirkland Lake Gold

One of the sectors that has been a perpetual value sector for investors has been gold miners.

However, in this group, the quality of gold miners has varied. This has made the opportunity to find high-quality value stocks very intriguing, particularly for those bullish on where the price of gold is headed.

Kirkland Lake Gold (TSX:KL)(NYSE:KL) is one of my top gold mining picks for a number of reasons. For starters, this is a company with a solid balance sheet with almost zero debt. Additionally, this company operates high-quality mines across Canada and Australia, generating impressive margins along the way. The location of these mines is in locations that are politically safe, reducing the chances of regional disputes. That's an overlooked aspect I think investors should focus on.

Indeed, Kirkland's gold mines north of Toronto are some of the highest-grade gold mines in the world, similar to its mines in Australia. The Australian mines also have tremendous exploration potential with a sound infrastructure and access. This helps to generate strong cash flows and lower operational costs.

Indeed, trading with a P/E ratio of around 13, Kirkland is attractive to investors seeking value. Compared to where the market is trading in terms of valuation, and where I see the price of gold headed, Kirkland Lake is a no-brainer investment at these levels.

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Date

2025/08/30

Date Created

2021/09/25

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