



## 2 Best Value Stocks to Buy in Canada Now

### Description

The Canadian stock market has recently been going through volatility, with the **S&P/TSX Composite Index** declining by 3.20% between September 3 and September 20, 2021, before climbing by 1.53% three days after the downturn. The slight downturn could be a sign that there may be a major downturn on the way, or it could just be a period of slight [short-term weakness](#) as the benchmark index resumes its upward trend.

In a market environment that has been soaring to greater heights for well over a year, it might seem impossible to find stocks trading for a discount. However, there are publicly traded Canadian companies that offer attractive valuations for the potential they possess. Knowing [how to find undervalued stocks](#) is the key to picking the right investments to achieve stellar long-term returns.

Today, I will discuss two value stocks that you should have on your radar to help you make an informed investment decision.

### Loblaw

**Loblaw** ([TSX:L](#)) is a low-risk investment to consider for your portfolio that can provide you with the stability you need to protect your capital while offering upside potential. The food and drug retailer is trading for \$85.20 per share at writing and boasts a forward price to sales multiple of 15.87. The stock is attractively valued because it trades for much cheaper than its peers.

Apart from trading for a lower valuation, the company has benefited from strong demand for its products during the pandemic. The company's focus on connected healthcare offerings in the future, its expanding digital platform, and an attractive rewards program could allow Loblaw to continue posting strong revenue growth.

With its online grocery pickup services and home delivery services picking up the pace, Loblaw investors could continue enjoying significant returns through capital gains.

## Capital Power

**Capital Power** ([TSX:CPX](#)) is another value stock that investors can consider adding to their portfolio if they are looking for upside potential with little capital risk. The utility company is trading for \$43.94 per share at writing and boasts a juicy 4.98% dividend yield. At its current share price, it is up by 25.58% year to date and boasts a forward price to sales multiple of 2.93, which is much better than its peers.

The company has been growing its renewable power generation asset portfolio. Combined with an overall growing asset base could see Capital Power continue driving its revenues and perform better on the stock market. Predictable cash flows and high-quality earnings have allowed the company to raise its annual dividends for eight consecutive quarters.

With a solid footing to capitalize on the growing renewable energy industry set in place and overall low-risk operations, the stock could provide you with significant upside if you purchase its shares today.

## Foolish takeaway

The right value stocks make excellent investments to buy and hold regardless of what happens in the short term. If you have a long investment horizon, you can expect to face market volatility that can impact short-term returns on your investment in value stocks. However, choosing to stick it out in the long run can make you a much [wealthier investor](#).

Loblaw stock and Capital Power stock could be ideal investments for value investors seeking significant long-term returns.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CPX (Capital Power Corporation)
2. TSX:L (Loblaw Companies Limited)

### PARTNER-FEEDS

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2. Koyfin
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