



1 of the Best Canadian Value Stocks to Buy in October 2021

Description

A volatile September 2021 is now in the rear-view mirror, but don't think for a second that it can't continue in October 2021. Undoubtedly, September and October are two of the seasonally scariest months to put new money into the stock market. Still, those looking at Canadian stocks that have already taken a big hit to the chin should buy, regardless of what month it is.

Remember, waiting for a month to end before doing any buying is timing the market, which is typically a terrible idea for almost anyone who's not psychic. Warren Buffett is one of the best investors of our generation. He strives to keep things simple. If a bargain comes his way, he'll buy it with less thought devoted to what markets will do over the short term.

October 2021 gameplan: Keep it simple and stay humble

There's no sense in attempting to predict that which is unpredictable. I've made the point clear in numerous prior pieces. Investors should stick with Buffett's strategy of simplifying. You don't need to be a macroeconomist to do well in markets over prolonged periods.

What you *do* need is discipline to scoop up bargains that come your way. Bargains typically present themselves when all is not well with the broader indices. But regardless, investors must surrender their ability to project the market's next move if they seek to improve upon their overall risk/reward profile.

Simplicity and an ability to remain humble are two of Buffett's underrated traits that likely give him an edge. For Canadian investors, that means staying the course and buying stocks on your radar at a price that you deem cheap! So, forget the correction calls and claims that markets are expensive. Many stocks have already fallen into bear market territory, and you should look to buy them here and now.

In a way, they've already ripped the Band-aid off before the market has. And for that reason, they're buyable, even if the **TSX Index** is bound to fall another 5% or so heading into year's end.

Consider **IA Financial** ([TSX:IAG](#)), one of the [cheaper](#) TSX stocks on my radar going into October 2021.

Canadian value stock #1: IA Financial

IA Financial is an insurer and wealth manager that's beyond cheap going into October 2021. Shares trade at 9.7 times earnings, which implies tough times are ahead. Undoubtedly, uncertainties are at a high point. But unknowns aren't necessarily bad, especially for the financials. Positive surprises could be on the horizon, and given IA's track record, they could surge past muted expectations over the next 18 months.

Even if there is [trouble](#) ahead in the fourth quarter or 2022, the long-term outlook looks great. The company has enjoyed success with its budding wealth management business. Its insurance business could see considerable tailwinds once rates and the economy move higher over the next three to five years.

I have no idea what's in store next month or next year, but I do think the odds are tilted in favour of investors those willing to hold for a minimum of three years. The stock is too cheap, and its 2.7% dividend yield is a great incentive to hold on for the long run.

CATEGORY

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