3 Deep-Value Stocks on Sale Today

Description

If you like deep-value stocks, now is a good time to go shopping. The stock market dip of September is continuing in October, and now we've got stocks that are cheaper than they were several months ago. To be perfectly honest, stocks are still expensive by historical standards. According to *YCharts,* the S&P 500 had a 39 P/E ratio as of this writing. That's pretty pricey. With that said, the TSX is not as pricey as the S&P 500 is, and there are still plenty of value stocks out there. In this article, I will explore three such stocks that you can buy today.

Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) is a TSX energy stock that trades at just 1.35 times sales and 1.2 times book value — super cheap. There were actually times in 2020 when you could buy this stock for less than the value of its assets, net of debt. Since then, SU stock has rallied 80% or more, so it's no longer *quite* the deep value it once was. Still, it's a pretty good value. The current bullishness in oil prices is great news for Suncor, which makes more money the higher the price of oil goes. As of this writing, WTI crude went for $76 and Brent Crude $82. These are pretty high prices, so it should come as no surprise that we're seeing Suncor rally this year.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is a Canadian bank stock that has a lot going for it. It is geographically diversified, with large operations in the U.S. that account for about 33% of its total revenue. This is a good thing because the U.S. is poised to raise interest rates in the year ahead. Banks, unlike most other industries, actually make more money the higher interest rates go. High rates mean high profit margins on loans. Banks do raise the interest they pay on savings accounts as well, but the effect on loans is predominant. So, we can expect TD Bank to make more money — and pay more dividends to shareholders–once the Fed finally works up the nerve to raise interest rates.

Alibaba

Turning toward international stocks, we have **Alibaba Group Holdings** (NYSE:BABA). Alibaba is a massive growth stock with 40% revenue growth in the trailing 12-month period, yet it's also a value stock with a 17 P/E ratio based on GAAP earnings.

BABA stock is getting cheap, because of the perception that China is becoming a risky country to invest in. China is experiencing rapid GDP growth, which has investors interested in it; but on the flip side, its government is perceived as having become hostile to tech companies. The Chinese Communist Party (CCP) is in the midst of a tech crackdown that has cost BABA $2.8 billion so far. Measures of concern include forced content sharing and donations to a "common prosperity fund."

The risk factors with this stock are very real, but the reward in a best-case scenario is real as well. Personally, I'm long BABA and will remain long for the foreseeable future.

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1. Bank Stocks
2. Dividend Stocks
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