



2 Value Stocks to Bulk up Your Investment Gains

Description

The **TSX** has displayed resiliency once more on October 13, 2021, advancing 181.4 points (0.89%) from the previous trading day. Every time a correction threatens the index, it regains strength. Thus, investors' confidence in Canada's primary benchmark remains high this month.

However, despite the TSX's superb performance, some stocks trade [below their intrinsic values](#). If you're on the hunt for value stocks, consider **Telus** ([TSX:T](#))([NYSE:TU](#)) and **Corus Entertainment** ([TSX:CJR.B](#)). Based on market analysts' forecasts, the share prices should be 10% to 40% higher than now.

Aggressive industry player

Telus belongs in a stable industry and has instant protection because it also operates in an oligopoly. Some observers liken the telco stock to bonds but with higher returns. The share price is \$27.59, while the dividend yield is 4.58% if you invest today.

The \$37.58 billion provider of telecommunications and IT products and services boasts a strong financial profile. Its world-class networks enable the company to thrive in the digital world. Moreover, it has several growth drivers that should help deliver [robust shareholder returns](#) in the long run.

Telus has no media assets like **BCE** and **Rogers Communications**, but it can nonetheless advance its long-term growth strategy. Canada's second-largest telco boasts three magnificent growth engines. **Telus International** provides digital IT solutions, while Telus Health focuses on healthcare solutions. Telus Agriculture delivers smart food-chain technology solutions.

After the first half of 2021, Telus's 4G LTE technology became available to 99% of the country's entire population. Thus far, its 5G network covers roughly 36%. Meanwhile, mobile data consumption continues to increase rapidly in that management expects faster growth when the industry transitions to the 5G technology.

Performance-wise, the telco stock is relatively stable for most of 2021. Investors are up 13.19% year to

date. Telus has gained 19.73% from last year, and analysts' 12-month average price target is \$30.41 or a return potential of 10.23%.

Hot streak

Corus Entertainment is on a [hot streak](#), with its 95.58% trailing one-year price return. At \$5.75 per share, investors enjoy a 38.43% year-to-date gain, more than double the TSX's 18.27% gain. The consensus rating of market analysts is a strong buy. They estimate an upside potential of 40.54% to \$8.08 in the next 12 months.

Don't forget that this \$1.21 billion media and content company is also a dividend payer. It currently pays a 4.14% dividend. Given the low 27.59% payout ratio, the dividends should be safe and sustainable. Thus, Corus offers both income and growth to would-be investors.

Management is ecstatic with the impressive Q3 fiscal 2021 results and four consecutive quarters of double-digit growth in content revenue. Revenue growth was 15% versus Q3 fiscal 2020. Notably, Corus reported a net income of \$40.67 million compared to the \$752.2 million net loss. Year-to-date, net income has reached \$152.6 million versus the \$655.6 million net loss in the first half of fiscal 2020.

Corus President and CEO Doug Murphy said completing a highly successful refinancing and strong free cash flow strengthened the balance sheet and increased financial flexibility.

Investment gains

Value stocks Telus and Corus Entertainment can surely bulk up investment gains apart from providing rock-steady dividends. The businesses should thrive further in the recovery phase. Now is an excellent time to add more shares or initiate positions if you don't own the stocks yet.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:T (TELUS)

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