



3 Top Canadian Value Stocks That Are Too Cheap to Ignore Right Now

Description

Value stocks often refer to publicly traded organizations that trade at cheap valuations in relation to their annual cash flows or earnings. Individuals interested in allocating funds in these organizations are the ones willing to purchase stocks for less than what they're worth.

It sounds simple, right?

Well, not really. Coming up with a way to compare stocks across various sectors is difficult. However, in their respect sectors, these are two companies I think hold [tremendous value](#) right now.

Let's dive in.

Top value stocks: Manulife

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) is one of the top value stocks I've had on my radar for quite some time. Indeed, Manulife's status as one of Canada's Dividend Aristocrats has something to do with this. This company recently raised its dividend once again, declaring a generous 18% hike less than a day after being allowed to do so.

Accordingly, Manulife is a company that clearly is intent on returning value to shareholders. From a valuation perspective, this company also looks attractive. Trading at approximately seven times earnings, it's hard to find another stock with a similar valuation in the financials sector — or any sector, for that matter.

This valuation and dividend profile is on top of relatively strong fundamentals. Manulife posted impressive results recently, boasting significant cash flow growth. As interest rates rise over time, Manulife is one company that stands to benefit.

SmartCentres REIT

In the real estate sector, **SmartCentres REIT** ([TSX:SRU.UN](#)) is a value stock I've had my eye on for some time. Indeed, this REIT continues to trade at a discount to its peers. Much of this discount is due to the company's exposure to retail real estate.

Indeed, given the pandemic, investors had reason to discount the company's portfolio of assets. However, coming out of the pandemic, SmartCentres stands as a key reopening play worth considering.

It should be noted this company's cash flows were very stable throughout the pandemic. Its core properties are anchored by major big-box retailers. Accordingly, there's a tremendous amount of stability with this value stock for long-term investors to consider.

Tourmaline Oil

Finally, we have **Tourmaline Oil** ([TSX:TOU](#)). This top Canadian energy stock caps off the list, not only because TOU stock trades around [eight times earnings](#). (That's cheap).

Rather, this company's growth profile has been impressive in this rising commodity price environment. On a year-to-date basis, Tourmaline's stock price has appreciated approximately 160%. For investors looking for total returns, this has been one of the best-performing stocks in the energy sector or otherwise.

As a natural gas player, I like Tourmaline's positioning in the market right now. As we head into winter, I think Tourmaline could have a number of very good quarters ahead.

Accordingly, this is a stock that's on my watch list right now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)
4. TSX:TOU (Tourmaline Oil Corp.)

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