



3 Value Stocks That Long-Term Investors Should Load Up on

Description

Value investing involves finding value stocks that trade at a discount to their intrinsic value. The main logic behind this is that companies presenting [undervalued opportunities](#) tend to outperform the overall stock market over time. While it sounds simple, the key lies in steering clear of value traps and finding companies that have true inherent value.

In practice, it's not that easy.

That said, there are some top value stocks I think are worth considering in this context. Here are three of my top picks among stocks with attractive valuations right now.

Top value stocks: Sun Life Financial

Headquartered in Toronto, **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) is a financial services organization with a whopping [\\$42 billion](#) market capitalization. Boasting more than \$1.3 trillion in assets under management, Sun Life is primarily an insurance organization, with a considerable presence in the investment management industry.

One of the things I like about Sun Life, in addition to its valuation of less than 12 times earnings, is this company's growth profile. Over the past five years, Sun Life has reported solid growth. This has propelled the company into second spot among insurance stocks in Canada. Additionally, this company is planning for further growth, which could propel Sun Life into the top spot over time.

Sun Life's dividend yield of 3.6% really rounds out the value, growth, and income argument with this stock. Accordingly, long-term investors looking for a balanced stock to hold for a decade or two may want to consider this stock right now.

Agnico Eagle

As far as gold miners go, **Agnico Eagle** ([TSX:AEM](#))([NYSE:AEM](#)) is one of my top picks. This company

has posted strong results amid surging gold prices. Accordingly, there's a strong fundamental reason to own this company, provided its earnings and revenue continue to stay in line with gold prices.

Gold bull or not, Agnico has proven itself as a solid capital allocator. Further, the company's recent acquisition of **Kirkland Lake Gold** I think is a big deal. Kirkland Lake's mix of high-grade and high-volume assets supplement Agnico Eagle's prudent long-term management style.

Combined, this entity should be a force to be reckoned with among gold miners. Those thinking long-term may want to consider this stock, which trades at 18 times earnings, with a yield of nearly 3%.

Peyto Exploration

Finally, an energy stock: **Peyto Exploration** ([TSX:PEY](#)) is one of the top natural gas producers on the TSX and has had quite a volatile few years. Despite rising incredibly from its pandemic lows, Peyto's valuation still sits at around 12-times earnings. For those bullish on where gas prices are likely to be over the medium term, this stock provides some tremendous value right now.

Like the other companies on this list, Peyto is also very attractive from a dividend yield perspective. The company's 5.6% yield is the highest on this list and is one of the best high yields in the sector.

In my view, Peyto's improving fundamentals and medium-term outlook make this a stock I'd consider for the next two to five years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. TSX:AEM (Agnico Eagle Mines Limited)
3. TSX:PEY (Peyto Exploration & Development Corp)
4. TSX:SLF (Sun Life Financial Inc.)

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