



2 Top TSX Value Stocks to Buy Amid Market Uncertainty

Description

Value stocks have really had a rough go over the past decade. The rise of growth stocks since the Great Recession has truly dampened the outlook for companies with otherwise attractive valuations. However, I think the tides are starting to change, this time in favour of those looking for [undervalued stocks](#).

On the TSX, there happens to be quite a few companies I'd put in the value bucket. Here are two of the top value stocks I've got on my watch list right now.

Top value stocks: Canadian Tire

The retail sector is one that's been absolutely turned over in the past couple years. The pandemic has tested the mettle of retailers. For investors, such a shock like this can be a good thing.

Indeed, seeing how **Canadian Tire** ([TSX:CTC.A](#)) has responded to the pandemic is noteworthy. This retailer actually managed to eke out growth mid-pandemic, signaling the strength of the company's offerings and its core brands. Among the brands this iconic Canadian retailer touts are SportChek, Hockey Experts, Sports Experts, Mark's, and Atmosphere. I think these brands and the company's long-term business model are the keys to its success.

Indeed, in Canada, there are few retail brands as recognizable as Canadian Tire. This company has been able to integrate acquisitions well in recent years (Helly Hansen and Party City are two examples). And in many ways, Canadian Tire has been leading the way on e-commerce. This company was investing heavily in this space before it was attractive to do so.

I think Canadian Tire's valuation of only [10 times earnings](#) is remarkable. This company is printing cash flow like no other and pays out a 2.8% dividend yield. Indeed, there's certainly a lot to like about this company for value investors looking for a top pick right now.

Barrick Gold

Perhaps one of the most undervalued sectors in the market right now, in my view, is gold miners. In this space, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) remains one of my top picks.

This top-tier gold miner has a global footprint spanning South America, Canada, the United States, with mines in Argentina, Chile, and North America (Nevada). Also, the company operates an open-pit mine at Pascua Lama on the border of Argentina and Chile. Barrick's growth strategy includes the expansion of its Carlin Trend gold deposit in Nevada via selective acquisitions of key properties to offer meaningful leverage to increasing gold prices and increased exploration for new deposits.

With the economy's future looking more uncertain and the Federal Reserve continuing to print cash at a record pace, gold mining stocks like Barrick Gold have attracted a lot of investor attention.

The Q4 gold production figures of Barrick Gold displayed sequential growth from Q3, as several key mining assets rebounded after repairs of some processing equipment. Besides this, copper also displayed similar strength.

The biggest optimistic surprise for this gold miner was that it posted substantial declines in its costs. Barrick's all-in sustaining cost per gold ounce will likely go down 4-6% from the last quarter. And cash copper costs will probably drop double-digit percentages.

All in all, Barrick Gold is undoubtedly a force to be reckoned with, and value investors would do well to consider this stock, which trades at 17 times earnings to their portfolios.

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