2 Top TSX Value Stocks That Are Looking Attractive Right Now

Description

Value stocks have certainly underperformed their growth counterparts over the last decade. Over the last few years, this chasm has widened.

However, the gap between growth and value is starting to narrow, with many thinking that value stocks could outperform hyper-growth companies for some time to come. There's a capital rotation underway, which is bullish for companies on the value end of the spectrum.

Those looking to find top value stocks may want to consider **Dream Industrial REIT** (TSX:DIR.UN) and **Manulife** (TSX:MFC)(NYSE:MFC). These two companies are on my radar, and I think are both looking lucrative right now. Here's why.

Top value stocks: Dream Industrial REIT

Without a doubt, I would say that Dream Industrial REIT is a strong long-term investment prospect. There are multiple reasons for this. However, this REIT's exposure to prime industrial real estate is the key driver. When investors think of industrial real estate, warehouses, and distribution centres are typically what's thought of.

These facilities support the e-commerce boom, which has been an incredible growth driver in recent decades. Accordingly, the ever-rising demand for top-notch industrial properties remains a driver of Dream Industrial's outlook.

This $3.68 billion REIT is the owner and operator of 326 industrial properties across Europe, Canada, and the United States. Net income and operating income have been consistently rising from 2018 to 2020. Due to the trust's robust fundamentals relating to its industrial real estate portfolio, this REIT maintains secure cash flows each year. Currently, Dream Industrial uses these cash flows to pay out a dividend yield of 4.4%. That said, I see this yield as one that has the ability to increase over time.

Thus, Dream Industrial is a defensive income stock, currently trading at only 6.8 times earnings that investors may want to snap up at these levels.

Manulife

One of the top value stocks I've been banging my drum on for some time is Manulife. And it's not just because of this top Canadian insurer's valuation multiple at under eight times earnings.

Manulife's core business model remains strong, with the company's health and life insurance businesses seeing strong growth. Primarily a North American insurer, Manulife has grown into China and other growth markets and is a stock that I think has tremendous upside, as the Chinese middle class grows.

The company's recent financials speak to strength over the near, medium, and long term. Last week, the company released its full-year 2021 results, which saw profits surge 20% year over year. Additionally, the company announced that it would be hiking its quarterly dividend distribution to $0.33 per share. This has brought Manulife's yield from around 4.5% to around 4.8% at the time of writing.

Over the long term, Manulife's stable business model is one I think can outperform the market. Given how uncertain everything is right now, Manulife and Dream Industrial are two great picks for long-term investors to consider.

CATEGORY

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2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:MFC (Manulife Financial Corporation)

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