



## 3 Value Stocks to Buy Amid Rising Volatility

### Description

The uncertainty over the possible Russian invasion of Ukraine had made investors nervous, leading to a 0.6% fall in the **S&P/TSX Composite index** on Wednesday. The escalation of tension between the two nations could further worsen the inflation outlook. So, in this uncertain environment, investors could strengthen their portfolios with these three value stocks.

### Canadian Utilities

First on my list is **Canadian Utilities** ([TSX:CU](#)), which operates utility, energy infrastructure, and retail energy businesses. Given its regulated and low-risk utility businesses, the company generates stable financials, irrespective of the market conditions. However, the company has been under pressure this year, losing 5.2% of the stock value. Amid the recent pullback, its valuation looks attractive, with its forward price-to-earnings multiple standing at 16.1.

Meanwhile, the company has made a capital expenditure of \$912 million in the first nine months, including the acquisition of Pioneer Pipeline, which could continue to boost its financials in the coming quarters. Besides, the company [expects](#) to grow its rate base at a CAGR of 2% over the next two years. These investments could boost the company's financials in the coming quarters.

Canadian Utilities has raised its dividends for the previous 49 years, the longest among Canadian public companies. Its forward dividend yield currently stands at 5.08%. So, given its impressive track record, healthy growth prospects, stable cash flows, and attractive valuation, [Canadian Utilities could strengthen your portfolio](#) in this volatile environment.

### Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has delivered strong performance over the last 14 months, returning around 42.9% since the beginning of 2021. The credit growth and decline in provisions for bad debts drove its financials, driving its stock price. Despite the surge, the company is trading at an attractive forward price-to-earnings multiple of 9.9.

Flush with cash, banks could benefit from interest rate hikes, as it can widen the gap between lending and deposit rates, boosting their margins. The Bank of Nova Scotia also has substantial exposure to high-growth markets, which could witness strong growth amid higher commodity prices. Further, the diversified revenue streams, lower provisions, and operating leverage bode well with the company's growth. The company also pays a quarterly dividend of \$1 per share, with its forward yield at a healthy 4.31%. So, I am bullish on the Bank of Nova Scotia despite the volatility.

## Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) operates 10 utility assets serving 3.2 million customers, meeting their natural gas and electricity needs. With its 99% regulated assets, the company delivers stable and predictable financials, irrespective of the economic cycle. So, these stable performances have allowed the company to return an average total shareholder return of 13% for the last 20 years. Despite delivering consistent performance over the previous two decades, it is trading at an attractive forward price-to-earnings multiple of 20.6.

Further, the company is investing \$20 billion over the next five years to grow its rate base from \$31.1 billion to \$41.6 billion at a CAGR of 6%. The increase in rate base could boost the company's financials in the coming years. Fortis also has a long history of rewarding its shareholders with consistent dividend hikes. It has increased its dividends for the last 48 years. Its forward yield currently stands at 3.74%.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:FTS (Fortis Inc.)

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rnanjapla

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