3 Bargains You Don’t Want to Miss in 2022

Description

Value investors are always on the lookout for good bargains, and while 2022 doesn’t offer as many great deals as 2020 did, there are still plenty to go around. However, three of them stand out from the others, and it’s these three that you should start with.

That’s only for the first quarter of 2022. As we go further into the year, many more fantastic value deals might come up that you can take advantage of.

A REIT

Artis REIT (TSX:AX.UN) is currently trading at a price-to-earnings multiple of just 4.6 times, making it relatively undervalued compared to the REIT market segment. And that’s *after* the REIT has crossed the pre-pandemic peak threshold and grew over a 100% from its market crash valuation. The yield of 4.5% is also relatively healthy, especially considering the price point.

The REIT has a commercial portfolio of office, industrial, and retail properties in North America, with offices making up almost half of the entire portfolio by weight. This would be a disadvantage if the remote working situation becomes more mainstream, and the REIT fails to leverage its office properties for different use. Still, for now, Artis is a healthy dividend bargain you should look into.

An investment management company

If you are looking for a stock that’s both undervalued and discounted, **Onex** (TSX:ONEX) is one to consider. It’s trading at a 15% discount from its recent peak, and the discount might become even more pronounced if the stock keeps sliding down as it has been since the beginning of the year. Its price-to-earnings multiple of 4.3 and a price-to-book multiple of 0.7 also make it an impressive value bargain.

While its performance has not been very inspirational since mid-2017, the company performed exceptionally well between that and 2009. And if the current value is a precursor to another growth phase like the one before, you should definitely consider buying before it becomes too expensive to touch and the growth momentum erodes the discount. It pays dividends, but the current yield is too low to consider.

A steel company

Algoma Steel Group (TSX:ASTL)(NASDAQ:ASTL) is a relatively new stock representing an established steel producer that has recently undergone a massive transformation — i.e., the cleaner arc steel-making compared to producing steel the conventional way. Its production capacity also puts it among the top producers in the country.

The stock has been relatively stable so far. It has fallen a lot from its small peak, but it will most likely get a bump if the demand for steel rises locally or the price of iron shoots upward around the globe. If there is a decent chance of that happening, buying it now when the price-to-earnings multiple is just 1.9 would be the intelligent thing to do.

Foolish takeaway

When looking for undervalued stocks, it's an excellent idea to the way the value bargain against the return potential and growth prospects instead of just admiring how potent the discount is. Sometimes, only modestly undervalued companies are a better buy than downtrodden and heavily discounted assets simply because they offer a more aggressive return potential.

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