



## Got \$1,000? 3 Top Canadian Value Stocks to Buy Right Now

### Description

Yesterday, oil prices softened amid the concerns over China tightening pandemic-related regulations and hopes of a resolution as peace talks continued between the representatives of Russia and Ukraine. So, falling oil prices have eased concerns over high inflation, thus improving investors' confidence.

Amid improving market sentiment, investors can buy the following three value stocks to earn superior returns over the next two years. With interest rates expected to go up, I expect [value stocks](#) to outperform growth stocks in the near-to-medium term. Interest rate hikes could raise borrowing costs, hurting the margins of growth stocks, which require higher capital to fund their growth initiatives.

### goeasy

First on my list would be **goeasy** ([TSX:GSY](#)), which trades at an attractive NTM (next 12-months) price-to-earnings multiple of 10.7. With the easing of pandemic-related restrictions, economic activities could improve, driving loan originations in the coming quarters. Meanwhile, the sub-prime lending market is highly fragmented, with the company acquiring just 1% of the market for far. This means it has substantial scope for expansion.

Meanwhile, goeasy is expanding its product range, venturing into new markets, strengthening its distribution channels, and enhancing its customer relationship to drive growth. Besides, the [acquisition](#) of LendCare has added new business vehicles, provided cross-selling opportunities, and improved its risk profile. So, given its growth potential and attractive valuation, I expect [goeasy to deliver solid returns over the next two years](#).

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) has returned over 15% this year, outperforming the broader equity markets. Despite the surge, the company's forward price-to-earnings multiple stands at an attractive 18.2. Meanwhile, the company had put around \$10 billion of projects into service in 2021 and expects

to invest approximately \$5-\$6 billion annually over the next three years, which could boost its financials in the coming years.

Meanwhile, Enbridge's management expects the throughput on its liquid segment to increase from an average of 2.8 million barrels per day in 2021 to 2.95 million barrels per day this year. The acquisition of Ingleside Energy Center, the projects put into service last year, and its investments this year could drive its throughput.

So, given its healthy outlook, I expect the uptrend in Enbridge to continue. Besides, the company has raised its dividends for 27 consecutive years, with its forward yield currently standing at 6.12%.

## Algonquin Power & Utilities

Third on my list would be **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which reported a solid fourth-quarter performance earlier this month. During the quarter, its top-line and adjusted EBITDA had increased by 21% and 18% on a year-over-year basis, respectively. The contributions from new projects and favourable rate revisions had boosted its financials.

Meanwhile, Algonquin Power & Utilities expects to invest around US\$12.4 billion over the next five years, strengthening its regulated and renewable assets. These investments could expand its rate base at an annualized growth rate of 14.6%, thus driving its adjusted EPS at a rate of 7%-9%. The company could also benefit from the increased transition toward clean energy.

Despite its impressive fourth-quarter performance and healthy outlook, the company is trading at a forward price-to-earnings multiple of 19.7, lower than its historical average. The company also pays quarterly dividends, with its forward yield standing at 4.61%. So, I believe Algonquin Power & Utilities would be an excellent addition to your portfolio in this volatile environment.

### CATEGORY

1. Bank Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:GSY (goeasy Ltd.)

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