



Got \$3,000? 3 Top TSX Value Stocks to Buy Right Now

Description

Markets have turned cautious of late, with inflation reaching record highs. Growth stocks have taken a backseat this year, and thus, this could be an excellent time for value investors. Value stocks — stocks that trade at far cheaper valuations but offer strong growth prospects — outperform in an inflationary environment. Here are three such TSX stocks that could outperform in the long term.

Birchcliff Energy

Canadian natural gas producer stock **Birchcliff Energy** ([TSX:BIR](#)) has been one solid performer among TSX energy stocks. It has returned 210% in the last 12 months, and the stock is currently trading eight times its earnings. That indicates a huge growth potential, given the current strength in gas prices.

Birchcliff Energy has been flush with cash. In January, the company released an upbeat outlook for the next five years, highlighting going debt-free by 2023. Birchcliff doubled its dividend late last year and currently yields 0.5%. That's far lower than [TSX energy stocks](#) on average. However, its strong balance sheet and outlook underline big room for [dividend](#) growth this year and beyond.

Natural gas prices could remain high with increasing demand and constrained supply. This will increase its earnings and free cash flows, at least in the short to medium term. In addition, its undervalued stock and potentially higher dividends make a strong case for Birchcliff.

B2Gold

Gold is also an effective hedge against inflation. So, investing in gold miner stocks that pay dividends could be a smart move in these markets. **B2Gold** ([TSX:BTO](#))(NYSE:BTG) is a Canadian gold miner that [produced](#) a little more than a million ounces of gold last year.

It has a solid balance sheet with a little debt and a large cash position. BTO stock has soared 20% this year and is trading 12 times its earnings.

Note that it lagged markets last year when the yellow metal was weak. This year, gold has been on the rise, with several uncertainties weighing on equities. So, if the trend continues and gold keeps trading strong, BTO will likely outperform.

goeasy

Canada's top consumer lender stock **goeasy** ([TSX:GSY](#)) has been trading subdued for the last few months. It has dropped 35% in the last six months. However, it was the broad market weakness that weighed on the stock and its growth outlook remains intact.

Whether it is the short-term or long-term performance, GSY has stayed well above its peers when it comes to financial growth. Its revenues increased by 15% CAGR, while the net income has soared by a remarkable 25% CAGR in the last decade. Last year, its revenues grew 22%, while its net income expanded by a handsome 80% year over year.

goeasy lends to non-prime borrowers in Canada. It is still a small fish in a big pond, with its addressable market valued at \$45 billion. It has recently forayed into the auto loan market. Increasing loan originations and improving repayments patterns amid the full re-openings could fuel its financial growth in the next few years.

Notably, GSY stock is trading at 10 times its earnings and offers decent upside potential.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BIR (Birchcliff Energy Ltd.)
3. TSX:BTO (B2Gold Corp.)
4. TSX:GSY (goeasy Ltd.)

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