



Market Correction: 2 of the Best TSX Value Stocks to Buy Today

Description

Whether a recession has officially started or not, the stock market is certainly betting that it's only a matter of time. Both Canadian and American stock markets have been dropping gradually throughout the year. Losses really began to ramp up with a steep selloff in late April. That's been since followed up by another drop over the past two weeks.

Investing during a market correction

Recession or not, I'm not letting it have a major impact on my [investing strategy](#). My focus continues to remain on buying and holding high-quality businesses, regardless of the current condition of the economy.

For short-term investors, today's investing climate may not be particularly attractive. There's no shortage of catalysts in the economy that could lead to the market continuing to sell off for months to come.

Long-term investors, however, have the luxury of being able to sit through market corrections without the need to sell any positions at a loss. In addition, investors with long-term time horizons can spend their time today searching for top-quality businesses that are trading at opportunistic discounts.

I've reviewed two top value stocks that Canadian investors should have on their radars right now.

Value stock #1: Northland Power

For anyone that's been thinking of investing in renewable energy, there's never been a better time than now. Most green energy stocks are trading far below all-time highs right now.

The market opportunity for renewable energy companies only continues to grow, which is why I'm a huge bull on the space.

I'm already a shareholder of one major Canadian renewable energy provider. For the next addition to my portfolio, I've got my eye on **Northland Power** ([TSX:NPI](#)).

The \$8 billion company isn't the largest of its kind in the country, but it has done an excellent job diversifying its business. Northland Power has an international presence, with operations in North and South America, Europe, and Asia. It also offers its global customers a range of different renewable energy solutions, including wind, solar, and hydropower.

Shares of Northland Power are up 60% over the past five years. When including dividends, the stock has more than doubled the returns of the **S&P/TSX Composite Index** since mid-2017.

With a marketing-beating track record, a 3% dividend yield, and a still huge market opportunity to capture, there's a lot to like about Northland Power — especially while it's trading nearly 30% below all-time highs.

Value stock #2: Bank of Nova Scotia

The year started off strong for **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) but the bank has since struggled to stay positive in 2022. Still, a loss of 10% on the year is far better than many other **TSX** stocks have fared this year.

The major [Canadian banks](#) have been a staple holding for long-term Canadian value investors for years. The reasons being that the Big Five can provide an investment portfolio with dependability, passive income, and even market-beating growth potential — all for a very fair price.

At today's stock price, Bank of Nova is the highest-yielding amongst the Big Five. It's also one of only two of the banks yielding above 5%. In addition, the bank owns a dividend-payout streak that's hard to match for any Canadian dividend stock.

Not only are Canadian banks trading below all-time highs, but valuations are also as low as they've been in years.

Bank of Nova Scotia is currently trading at a forward price-to-earnings ratio below 10.

Value investors looking for the biggest bang for their buck would be wise to have this Canadian bank on their watch list today.

CATEGORY

1. Dividend Stocks
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1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:NPI (Northland Power Inc.)

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