



3 Top Value Stocks to Buy Right Now

Description

Value stocks are some of the best stocks you can find on the **TSX** today. But Motley Fool investors need to be careful. Just because a stock is cheap doesn't mean it's valuable.

What makes a stock *valuable* is usually when it's a blue-chip company that offers stable long-term growth. Granted, there are still lots of those as well. However, these are the top three value stocks I would recommend on the TSX today.

Royal Bank

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is the largest bank of the Big Six banks by market capitalization at about \$175 billion. The bank offers over 100 years of performance. It offers investors steady growth through its wealth and commercial management sector and future growth through its investments in emerging markets.

Royal Bank as a Big Six bank offers Motley Fool investors a great way to get defensive should we enter a recession. The bank has provisions for loan losses, allowing it to come back to pre-fall prices within a year. You can see this again and again during market corrections and recessions. Further, it offers a dividend as well at a yield of 4.11% among value stocks.

As for value, Royal Bank stock trades at just 10.9 times earnings and 1.8 times book value. Earnings are expected to continue climbing at a steady pace to as much as 9.6% by full-year 2024. And right now, shares are down about 6% year to date, offering a great time to jump in among value stocks.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is another strong company I'd consider among value stocks right now. Utilities are needed no matter what happens. We need to keep the lights on, do laundry, eat food, all those basics. And that's why, no matter what Canadian Utilities will continue to see its revenue rise.

In fact, while other companies have fallen, Canadian Utilities has actually climbed during 2022. While this puts its price-to-earnings ratio at 25.1, it's still valuable at two times book value. Furthermore, you can lock in a strong dividend yield of 4.63%. One that's grown each and every year for the last 50 years. And it's the only stock on the TSX today that can claim such a feat.

Shares are up 7% year to date, but down 4% in the last month. So, I'd still grab this company among value stocks for a nice little boost for those planning to hold long term.

Brookfield Infrastructure Partners

Finally, infrastructure is another way to get in on strong growth, even during a recession. And for that, I'd look to **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) right now. Don't be fooled. We may be going through some ups and downs in housing, but infrastructure is another necessity. It builds our sewers, power supplies, roads — all of it — no matter what's going on in the world.

This is another great defensive play among value stocks, and as an investor in assets around the world, Brookfield is a great option. The \$22.5 billion company also offers some more value, trading down 2% year to date and 11.5% over the last few months. However, it's still up by 11% in the last year. While it trades at 34 times earnings, it still remains valuable at 3.2 times book value.

Finally, you get a solid dividend yield of 3.63% while you go through this market correction. Once the current inflation-related hiccoughs are gone, this company will be a solid long-term investment for Motley Fool investors on the TSX today seeking value stocks.

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1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:RY (Royal Bank of Canada)

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