



## Got \$1,000? Buy These 3 Value Stocks

### Description

The S&P/TSX Composite Index has corrected by over 15% from its April highs. The fear that rising interest rates and inflation could hurt global growth has made investors nervous, thus dragging the index down. However, the correction in the following three stocks appears to be overdone, thus providing an excellent entry point for long-term investors.

### Suncor Energy

Oil prices have cooled down substantially from their March highs. Despite the pullback, the West Texas Intermediate (WTI) oil is still trading around US\$108/barrel. Higher oil prices could benefit oil-producing companies, such as **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Given its long-life, low-decline assets, the company can cover its operating expenses, make sustainable capital investments, and pay dividends, provided WTI oil trades around US\$35/barrel.

Meanwhile, analysts are bullish on oil amid the supply constraints and expect it to trade above US\$100/barrel this year. Besides, Suncor Energy is strengthening its production capabilities and expects to increase its production by 5% this year. Supported by its strong financials, the company has repaid some of its debt, thus lowering its interest expenses.

The company has also hiked its dividend for the second consecutive quarter. After a 55% increase during Q4 2021, the company has again increased its quarterly dividend by 12% in Q1 2022. Its forward dividend yield currently stands at a healthy 4.16%.

Meanwhile, amid the recent correction, Suncor Energy currently trades around 16% lower than its 52-week high amid the pullback in oil prices. The decline has dragged its NTM [price-to-earnings](#) multiple down to an attractive 4.8, making it an excellent buy.

### Cargojet

**Cargojet** ([TSX:CJT](#)) provides time-sensitive air cargo services in Canada and international markets.

Amid the recent selloff, the company is trading at around a 33% discount from its recent highs. The pullback has dragged its NTM price-to-earnings multiple down to 20.9.

Meanwhile, with the surge in e-commerce, the demand for air-cargo services is rising. Amid the demand growth, the company plans to add 16 new aircraft over the next two years. Its long-term contracts, minimum revenue guarantees, and ability to pass on increased expenses to its customers provide stability to its financials. It also focuses on improving operational efficiency and lowering debt levels, which could boost its profitability in the coming years.

So, given its growth initiatives, attractive valuation, and favourable environment, I believe Cargojet is an excellent buy.

## Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), which has corrected around 19% from its 52-week highs, is my final pick. The expectation of deacceleration in global growth amid multiple increases in benchmark interest rates has dragged its stock price and valuation down. Currently, its NTM price-to-earnings multiple has declined to nine.

Although multiple rate hikes could hurt global growth, it could benefit financial institutions, such as Bank of Nova Scotia, by expanding their margins. The company's diversified operations, exposure to high-growth markets, multiple business segments, and falling provisions for loan losses could boost its financials in the coming quarters.

Notably, Bank of Nova Scotia has raised its dividend at a CAGR of 6% for the previous decade, with its forward dividend yield currently standing at an attractive 5.35%. So, given its high dividend yield and attractive valuation, I believe Bank of Nova Scotia is an excellent buy right now.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CJT (Cargojet Inc.)
5. TSX:SU (Suncor Energy Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

**PP NOTIFY USER**

1. kduncombe
2. rnanjapla

**Category**

1. Investing

**Date**

2025/08/26

**Date Created**

2022/07/10

**Author**

rnanjapla

default watermark

default watermark