



Best Bargains: 2 of the Top Canadian Value Stocks to Buy Now

Description

Although we just had a significant selloff back in 2020 at the start of the pandemic, it can often take years for these opportunities to materialize. Therefore, when you get the chance to buy some of the top Canadian stocks while they offer incredible value, it's one you want to take full advantage of.

In this environment, though, with so much uncertainty and inflation that has yet to show signs of peaking, many investors are cautious about investing too early, when stocks could have further to fall.

However, although that's a reasonable concern, there are some stocks that are already so cheap that there is hardly any downside risk. Therefore, if you've been watching this market, waiting for the top stocks to offer attractive value before you buy, here are two of the best to consider today.

One of the best value stocks to buy on the TSX today

Even before the rest of the market was selling off, [tech stocks](#) were already falling out of favour, and after nearly 12 months of pulling back, these stocks are now ultra-cheap. With that being said, though, the tech industry continues to face significant headwinds, and while there are plenty of bargains in the space, there's nothing to stop many of these stocks from falling further in the near term.

However, there are a few exceptions and one of which is **AcuityAds Holdings** (TSX:AT)(NASDAQ:ATY). AcuityAds, first off, is an AdTech stock with impressive growth potential, especially after just recently launching its new propriety platform to improve the marketing campaigns of advertisers.

However, while its business operations are a reason to buy and hold long term, the reason that it's one of the best Canadian value stocks to buy today is that it's trading ultra-cheap.

Although the stock is trading for just about \$3 a share and at a market cap of roughly \$180 million, AcuityAds has over \$1.50 per share of net cash alone. So, really, AcuityAds is trading for around \$1.50 a share, and its enterprise value is less than \$90 million.

That gives the high-potential tech stock a forward enterprise value (EV) to EBITDA ratio of just 4.8 times. That's cheap for even the most well-established company, so the fact that a high-potential growth stock offers that kind of value makes AcuityAds incredibly attractive.

Plus, while the stock was on a consistent downtrend for months, it's now shown signs of bottoming at roughly \$3 a share, so if you're looking for the top Canadian value stocks to buy now, AcuityAds is one to strongly consider.

A top residential REIT trading ultra-cheap

Another extremely high-quality Canadian stock that has sold off all year and much more than it should is **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)). CAPREIT is the largest residential REIT in Canada, with properties located all across the country and even in parts of Europe.

The price of CAPREIT has fallen by over 25% so far year to date as market conditions worsen and Canadian real estate prices have come under pressure. However, although the value of its assets may fall on paper over the short term, the cash flow that CAPREIT can continue to earn is extremely robust. So, while this REIT is trading incredibly cheap, it's one of the best Canadian value stocks you can buy.

It's worth noting that throughout the Great Recession in 2008 and 2009, CAPREIT actually grew its [funds from operations](#) (FFO) by about 2%, and its occupancy rate actually increased from 97.3% to 97.7%.

In addition, from 2019 to 2020, when the economy was severely impacted by the pandemic, CAPREIT grew its FFO by over 6.5%. And in this market environment, once again, defensive and reliable investments are exactly what investors are looking for.

Therefore, with CAPREIT trading at a price-to-FFO ratio of 17.7 times, the cheapest it's been since 2017, it offers investors an incredible opportunity. Furthermore, even its price to estimated net asset value has fallen from roughly 1.05 times at the start of the year to just 0.7 times today.

So, if you're looking for top Canadian value stocks to buy in this environment, CAPREIT offers tons of value, and it can be a reliable holding in this market environment.

CATEGORY

1. Investing

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1. OTC:ILLM.F (Illumin)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:ILLM (AcuityAds)

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