2 Top Canadian Value Stocks Worth Buying Right Now

Description

Growth stocks have been all the rage over the past decade. Indeed, during last year's bull market rally, most growth stocks saw absolutely incredible gains. And while these gains now appear unsustainable in hindsight, the idea that growth would underperform value stocks in the near term is one many investors would have laughed at.

Fast forward to 2022, and the game has changed. Value is now "in" and growth is "out." Accordingly, valuations of various lower-multiple stocks have come up, as capital rotates into this sector.

Thus, many traditionally inexpensive stocks are now at levels that many may not consider to be value. But there is some value left in the market.

Two Canadian stocks I'd put in the value bucket right now are **Manulife** (TSX:MFC)(NYSE:MFC) and **SmartCentres REIT** (TSX:SRU.UN). Here's why I think these are two such stocks worth considering in this volatile market.

Top value stocks: Manulife

Headquartered in Toronto, Manulife is a prominent insurance and financial services provider. This company offers a range of services from consumer and commercial banking to asset management, insurance and reinsurance, commercial mortgages, securities underwriting, wealth management, mutual funds, and real estate.

This company has been in investors' good books due to its strong balance sheet, financial flexibility, favourable product mix in individual insurance, new business gains, and higher sales volumes.

Interested investors must note that institutions own the lion's share in Manulife with 52% ownership.

Institutions have access to loads of capital meaning their market moves receive substantial scrutiny from individual or retail investors. That is why a considerable chunk of institutional money invested in a company is usually seen as a positive attribute.

This life insurer looks set to gain from three of its highest-potential operating divisions: Canada, Asia, and Global Wealth and Asset Management.

With an appropriate product mix in individual insurance in Canada, a favourable impact of product re-pricing in Hong Kong, and riding on increased sales volumes, there's a lot to like about how this company is positioned right now.

SmartCentres REIT

SmartCentres REIT is a company I've been touting as a value stock for some time. Much of this has to do with the company's valuation of only four times earnings.

However, on a forward-looking basis, there's also a lot to like. Given the company's recent quarterly results, SmartCentres's operations are looking rock solid.

The company saw improvement in customer traffic to its shopping centres. This led to a generation of steadily increased levels of leasing activity which started earlier this year. SmartCentres expects that this momentum will continue for the remainder of the year. Indeed, this should positively impact both the company's earnings and occupancy rate moving forward.

This organization's net income and comprehensive income came at $162.0 million in comparison to $97.0 million for the same period of last year. That represents a massive year-over-year increase — and one that highlights just how cheap this stock is.

The market is clearly pricing in a real estate slowdown in this stock. Fair enough. But if investors can get in at a cheap enough price (like it is now), I think this company it still investment worthy, given its 6.6% yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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