



## FIRE SALE: 2 of the Best Value Stocks to Buy Now

### Description

As the market has been selling off all year, plenty of the best Canadian stocks to buy and hold for the long haul now offer excellent value. While the **TSX** is down just 6%, the energy sector has played a significant role in helping to mitigate the losses.

For example, south of the border, the **S&P 500** has lost 14%, reflecting the significant selloff that we've seen in North American markets throughout the year.

Although there are certainly risks to be cognizant of and a potential recession on the horizon, as long as you're buying high-quality stocks that you are willing to hold for the [long haul](#), then buying them while they're cheap today is one of the best times to do so.

It's crucial to ensure, though, that you aren't just buying stocks primarily because they are cheap. Instead, look for the best business to buy that also happens to offer attractive value.

And while there are several to choose from in this environment, here are two of the best value stocks to buy now.

### One of the best retail stocks to buy now

Despite all the pressure on the retail industry lately, as e-commerce gains popularity and especially after the pandemic, **Canadian Tire** ([TSX:CTC.A](#)) continues to perform well.

From the end of 2019 up until the end of 2021, Canadian Tire managed to grow its revenue by over 14%. And if you go back five years since the end of 2016, Canadian Tire's revenue is up a whopping 31%.

The stock has clearly been performing well and continues to expand its operations, while many retail peers are struggling.

The reason for Canadian Tire's success comes down to multiple factors. First off, the company has

embraced technology well, utilizing its ultra-popular loyalty program to help offer and drive increased sales from its returning customers.

In addition, Canadian Tire also has an impressive e-commerce platform, which has helped to drive tonnes of sales, particularly through the pandemic.

In addition to its technology, Canadian Tire has also done an incredible job building its portfolio of retail banners, each serving a different segment of the market but also offering the opportunity for Canadian Tire to cross-sell.

So, with the company performing well, increasing both its revenue and its earnings at an impressive pace, the fact that it's sold off this year makes it one of the best value stocks to buy.

Right now, Canadian Tire trades at a forward [price-to-earnings](#) (P/E) ratio of just 8.7 times. Just one year ago, that was closer to 12.1 times, and over the last five years, Canadian Tire's average forward P/E ratio has been 11.8 times.

Therefore, when you consider how much upside the stock has and the fact it pays a dividend that yields roughly 4%, it's easily one of the best value stocks to buy now.

## A top growth stock trading cheap

In addition to Canadian Tire, another high-quality stock that's been growing exceptionally well but has also sold off this year is **Cargojet** ([TSX:CJT](#)).

Cargojet is an exciting investment because it's a stock that has a tonne of long-term growth potential, especially as e-commerce continues to gain in popularity. The stock has a significant market share for overnight, time-sensitive shipping in Canada, which is why it continues to grow its sales.

There's no doubt that the pandemic had a positive impact on Cargojet. But even after the pandemic, it continues to grow at an exceptional pace.

Plus, it's not just its revenue that's growing, up 66% in just the last three years. Cargojet has also been rapidly growing its [earnings before interest, taxes, depreciation, and amortization](#) (EBITDA), which has increased by over 110% in just the last three years.

Therefore, with Cargojet continuing to perform well, the fact that it's sold off makes it one of the best value stocks to buy now. For example, the stock's forward [enterprise value](#)-to-EBITDA ratio of just 8.4 times today is well off the 12.5 times it traded at one year ago. It's also well off its five-year average of 11.8 times.

So, while this high-quality growth stock trades at a significant discount, there's no question it's one of the best value stocks to buy now.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)

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