



## 2 Value Stocks to Buy Right Now

### Description

The **S&P/TSX Composite Index** is down by 14.45% from its 52-week high as of this writing. The decline in Canada's benchmark equity index reflects the state of the entire stock market, indicating substantial discounts across the board. Most stocks listed on the TSX are trading at 20-50% discounts from their all-time highs, but you cannot consider not every discounted stock an [undervalued stock](#).

If you are a value-seeking investor searching for bargains, you should try to identify companies with the potential to deliver stellar long-term growth trading for discounted prices. Value stocks are companies trading for significantly lower than their intrinsic values, because the broader market has failed to value them based on their long-term growth potential.

Today, I will discuss two arguably undervalued stocks you can consider adding to your portfolio if you are a value-seeking investor.

### goeasy

**goeasy** ([TSX:GSY](#)) is a \$1.77 billion [market capitalization](#) alternative financial services company headquartered in Mississauga. The company engages in providing unsecured installment loans to consumers who cannot qualify for loans through traditional lenders.

It also provides financial services to help its consumers finance various household furniture, appliances, and home electronic products. It also offers home loans to subprime borrowers.

By offering various short-term unsecured and long-term secured loans, the company has found a balanced business model that delivers solid results. Its model allows goeasy to maintain a strong balance sheet, protecting itself through provisions for credit loss and healthy profit margins through its interest rates.

The company has grown its revenue at a compound annual growth rate of 15.9% in the last decade, growing its earnings by 33.6% in the same period.

As of this writing, goeasy stock trades for \$111.67 per share and boasts a 3.26% dividend yield. Trading for an almost 50% discount from its 52-week high with a favourable 7.75 forward price-to-earnings ratio, it can be a good value bet for your portfolio.

## TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) is a \$4.26 billion market capitalization renewable energy company headquartered in Calgary. It is no secret that the entire world plans to slowly shift to greener energy and phase out reliance on fossil fuels.

Announcements from various world leaders on policies promoting renewable energy gave the entire sector a boost. However, the current energy crisis in Europe led to a surge in demand for fossil fuel-powered electricity to make up for the short-term shortfall in energy demand, resulting in a decline across the board for renewable energy stocks.

However, global fossil fuel supplies are finite, and growing climate concerns will likely bring renewable energy back into the limelight, albeit gradually. Renewable energy will become the undisputed king in the energy industry in the long run. TransAlta Renewables generates stable cash flows through various clean energy facilities diversified across Canada, the U.S., and Australia.

It follows the lucrative business model of traditional utility companies with the advantage of focusing on renewable energy sources. While other utility businesses will have to invest in transitioning to renewable energy, the company will only need to invest in growth.

As of this writing, TransAlta Renewables stock trades for \$15.96 per share and boasts a juicy 5.89% dividend yield. Trading for 19.79% lower than its 52-week high, it might not seem like too steep a discount. However, its long-term growth potential could make it a bargain at current levels.

## Foolish takeaway

It is important to learn how to identify companies that boast long-term value when seeking undervalued stocks. Provided you can identify and invest in such companies at the right time, you can unlock the potential for substantial long-term wealth growth by remaining invested. goeasy stock and TransAlta Renewables stock can be excellent investments for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)
2. TSX:RNW (TransAlta Renewables)

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