



## 3 Bargain Stocks You Can Buy Today and Hold Forever

### Description

The Canadian equity markets have been witnessing strong buying since the beginning of October, with the **S&P/TSX Composite Index** rising 8.4%. The index currently trades just 5.8% lower for this year. The easing recession fears and lower-than-expected October inflation numbers in the United States appear to have increased investors' confidence, driving stock prices higher.

Despite the recent uptrend, the following three stocks are trading at a substantial discount compared to their 52-week highs, thus providing an excellent entry point for long-term investors.

### BCE

The telecommunication sector is highly capital intensive, as companies must invest extensively in network infrastructure to serve their customers. So, with the rising interest rates, the borrowing costs of these companies could increase, thus increasing their interest expenses and lowering their profits. So, **BCE** ([TSX:BCE](#)), one of the three leading players in the Canadian telecom space, has been under pressure for the last few months. It has lost over 16% of its stock value compared to its 52-week high while trading at 17.8 times its next four quarters' projected earnings.

Meanwhile, BCE posted solid third-quarter earnings earlier this month. Its revenue came in at \$6.02 billion, which was in line with analysts' expectations. Its adjusted earnings per share (EPS) came in at \$0.88, beating estimates by \$0.04. It also generated a free cash flow of \$642 million, representing year-over-year growth of 13.4%. It added over 400,000 connections across the wire and wireless segments during the quarter. The expansion of its broadband, 5G, and 5G+ services across the country appears to have helped the company expand its customer base.

Supported by its solid cash flows, BCE has been raising dividend uninterrupted for the last 14 years at a rate of over 5%. Its dividend yield currently stands at a juicy 5.94%. Also, the demand for telecommunication services is rising in this digitally connected world, thus benefiting the company. So, considering all these factors, I believe BCE would be an excellent long-term bet.

## TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) is a renewable power-generating company with an economic interest in around 50 power-generating facilities across Canada, the United States, and Australia. The company has established long-term power-purchase agreements (PPA) to sell the power produced from these facilities, which would stabilize its financials. The weighted average remaining contract life of these PPAs stands at 11 years.

Meanwhile, TransAlta Renewables is rehabilitating the 50 wind turbines at the Kent Hills 1 and 2 locations after the tower failure event in September 2021. Management expects these facilities to become operational in the second half of next year. Also, the company could benefit from contract extensions, capacity addition, and an increased transition towards cleaner energy.

Despite its growth prospects, it trades at an attractive NTM (next 12-month) price-to-earnings ratio of 18. It also pays a quarterly dividend, with its forward yield at 6.46%. So, TransAlta Renewables could be the stock you could buy and hold forever.

## Bank of Nova Scotia

Third on my list is **Bank of Nova Scotia** ([TSX:BNS](#)), which has been paying a dividend uninterrupted since 1833. The company has raised its dividend 43 times over the previous 45 years. It has considerable exposure to emerging South American markets, which could grow at a higher rate in the coming years. So, the company's growth prospects look healthy. The company pays a quarterly dividend of \$1.03/share, with its yield currently at 5.92%. Also, its payout ratio stands at around 47%, which is sustainable.

Meanwhile, BNS has lost around 27% of its stock value this year as recession fears have weighed on its stock price. The correction has dragged its price-to-book ratio down to 1.2, making it an attractive buy for long-term investors.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:RNW (TransAlta Renewables)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred

6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

#### **PP NOTIFY USER**

1. kduncombe
2. rnanjapla

#### **Category**

1. Investing

#### **Date**

2025/07/17

#### **Date Created**

2022/11/16

#### **Author**

rnanjapla

default watermark

default watermark