3 Top Value Stocks That Are Screaming Buys Right Now

Description

The bear market in 2022 has created significant buying opportunities for value-minded investors. I would say traditional "value" stocks have become somewhat expensive, but there are plenty of solid growth and income stocks that look attractive. Here are three TSX stocks that look like compelling value buying opportunities right now.

Brookfield Asset Management stock

Brookfield Asset Management (TSX:BAM.A) has fallen 22% in 2022. In the past five days, it has had a strong +15% surge up, but it still looks like an attractive buy for long-term investors. Brookfield is one of the largest alternative asset managers in the world.

It has $750 billion of assets under management (AUM). Earlier this fall, management indicated a plan to reach $2 trillion of AUM over the coming five years. In its recent third quarter, Brookfield's chief executive officer (CEO) Bruce Flat noted that if Brookfield can execute its plan, he believes it could achieve 25% compounded annual earnings growth (or better) over the coming five years.

While this seems extremely optimistic, Brookfield has a very good track record of doing what it says it will. With $125 billion of deployable capital, Brookfield certainly has the capacity to be opportunistic in an economic downturn.

Right now, Brookfield stock trades for a 42% discount to its plan value. Plans to spin-off its asset management business could help unlock some of this value disconnect, so now is a great time to buy this stock.

Fortis

I would not categorize **Fortis** (TSX:FTS) as a traditional value stock. However, given its stock's decline by 13% this year, it presents attractive value today. With a market cap of $25 billion, Fortis is a large, regulated energy transmission utility across Canada, the U.S., and the Caribbean.

Fortis is a dividend legend in Canada. It has increased its dividend consecutively for 49 years. Most recently, it increased its dividend by 6% last quarter. Today, it trades with a 4.3% dividend yield. That is above its five-year average yield of 3.6%. It trades with a price-to-earnings (P/E) ratio of 18; however, that is below its 10-year average of 19.

Fortis is a very consistent utility with a defensive business model. Any time it can be bought with an elevated dividend yield and a valuation discount is an attractive opportunity for income-focused investors.

goeasy stock

One true growth stock that remains incredibly cheap is **goeasy** (TSX:GSY). While it is down 27% this year, it has risen over 300% in the past five years. In fact, it is one of the best-performing growth stocks in Canada over the past decade.

goeasy operates a sub-prime loan platform across Canada. The company has grown by taking market share and adding multiple service verticals over the years. It just announced third-quarter results and had record loan originations of $641 million. That was a 47% increase over last year. Adjusted net earnings per share were up 9% to a record of $2.95.

Today, this stock earns a 3% dividend yield and trades for only eight times forward earnings. On a growth-to-value-to-income basis, it is hard to find a TSX stock with better value today.

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2. TSX:FTS (Fortis Inc.)
3. TSX:GSY (goeasy Ltd.)

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