



3 Undervalued Stocks to Buy Before it's Too Late

Description

As the economic recovery comes into question via the rise of the Delta variant, investors may be on edge. And rightly so. Looking for [undervalued stocks](#) is one such way to gain an edge on the market as well as gain defensiveness.

These three stocks are some of the best value picks on the TSX today. Let's dive in!

Top undervalued stocks: Alimentation Couche-Tard

I've been pounding the table for some time on **Alimentation Couche-Tard** (TSX:ATD.B) as a top value pick. The company's valuation multiple of only 16 times earnings certainly makes this company look like one of the best undervalued stocks on the market. Indeed, relative to Couche-Tard's growth potential, this is even more true.

The company's continued consolidation of the gas station and convenience store sector has turned Couche-Tard into a \$54 billion company. This is no small Canadian company. Rather, Couche-Tard is a global player in this space.

I think the company's strong fundamentals and balance sheet room for more acquisitions should bode well for investors over the long term. Accordingly, this is a company I'll continue to have on my radar moving forward.

Manulife

As far as undervalued stocks in the insurance sector go, **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)) is one of the best.

This company's profits have been rising at a time when many investors were questioning the impact of lower-for-longer interest rates. Indeed, headwinds related to slower economic activity and higher claims may persist. However, given the risk higher interest rates present to the broader market (and

growth stocks in particular), Manulife is an excellent portfolio hedge.

This is also a stock with a tremendous valuation. Currently, investors can pick up shares of Manulife for only nine times earnings. That's dirt cheap compared to the company's peers and the overall market.

Kirkland Lake Gold

For those seeking defensive exposure to undervalued stocks, **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is a great pick. As a gold miner that's essentially debt-free and spewing out cash flow at an incredible rate, investors really don't have a reason not to load up on this gem.

It's my view that Kirkland Lake is one of the best gold miners in the world right now. The company's [balance sheet](#) is pristine, with essentially no debt. And the company expects to invest in production increases using existing operating cash flow to do so. That's a win-win for investors.

It think Kirkland Lake's defensive orientation provides one of the best risk-return prospects for long-term investors. Accordingly, those looking for an undervalued stock with tonnes of upside potential can't go wrong owning Kirkland Lake shares at these levels.

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1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:MFC (Manulife Financial Corporation)

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Author

chrismacdonald

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