7 Top TSX Value Stocks to Buy Cheap This Week

Description

Market ratios and projected cash flows can give investors some idea of whether or not a stock is potentially undervalued. Growth investing could be on the cusp of giving way to value investing in the new year as the market's defining characteristic. With this in mind, let's look at a handful of names that have been identified as possible contenders for a place in a value investor's portfolio of recovery stocks.

Going long on undervalued stocks

Distressed value investing could make a comeback in the new year. Investors don't need to wait, though. Name such as **Tourmaline** and **Parex Resources** have been on sale throughout much of the year. Tasty dividends are on offer in the hydrocarbon space, such as Tourmaline's 3.3% yield. Parex has big comeback potential, meanwhile. A high price target of $30 a share would add significant upside to this $18 stock.

You'll notice that many names on undervalued lists at the moment are commodities. This stands to reason given the state of the global economy. However, some commodities, such as gold, have had a red-letter year. That said, though, standout names such as **Kinross Gold** and **Dundee Precious Metals** are still selling at attractive valuations. Paying 1.6% and 1.3% yields, respectively, these names satisfy a safe-haven dividend thesis.

Takeover targets and under-the-radar tech stocks

Cogeco emerged as a takeover target this year. Though this year's now infamous bid failed to come to fruition, Cogeco has been left looking all the more desirable because of it. 2020 saw Cogeco thrust into the headlines — and its stats look good. This name is a buy for investors seeking exposure outside the Big Three hegemony of Canadian telecom outfits. A dividend of 2.3% is on offer from this reasonably priced name.

Photon Control (TSX:PHO) has been on value investors' radars for some time. While its book value is three times lower than its actual price, other indicators suggest that steep capital gains could be on the way. For instance, Photon Control sells at a discount of 30% off future cash flow valuation. This name also boasts a P/E of 15, undercutting the average for the electronics industry.

Tech stock growth has been one of the defining characteristics of the past year. But semiconductor names could have further to run. Investors seeking ground-floor opportunities could have a strong buy in Photon Control. Its access to probe and sensor markets also offer niche growth with wide-moat potential.

Printing and packaging might not have been on everybody's pandemic wish list. However, as it turns out, packaging is an essential component of the supply chain management industry. This makes **Transcontinental** an off-the-radar pick for infrastructure and logistics exposure. Overall, Transcontinental is a health stock selling with attractive market ratios. A decent dividend and geographical diversification round out a buy signal.

By mixing prospective price targets, reliable dividend yields, and overall returns indicators, investors can better position themselves for a potential value market. Investing in 2020 has been largely about growth from sudden societal changes. Conversely, 2021 will likely make use of the pandemic's aftermath.

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