

3 Inexpensive Financial Stocks to Consider Buying Today

Description

Canadian banks are considered by most to be must-have investments because of their financial stability and because they face very limited competition. I agree with this investment philosophy and feel that all Foolish investors should own shares in at least one financial institution. With this in mind, let's take a look at three of the top financial stocks that you should consider investing in today.

1. National Bank of Canada

National Bank of Canada (TSX:NA) is Canada's seventh-largest bank in terms of total assets. At today's levels, the company's stock trades at just 10 times fiscal 2015's estimated earnings per share of \$4.59 and a mere 9.5 times fiscal 2016's estimated earnings per share of \$4.86, both of which are very inexpensive compared to its five-year average price-to-earnings multiple of 10.2. Also, its stock trades at only 1.75 times its book value per share of \$26.33, which is inexpensive compared to its market-to-book value of 2.04 at the conclusion of fiscal 2014, and it pays an annual dividend of \$2.00 per share, giving its stock a bountiful 4.3% yield.

2. Canadian Western Bank

Canadian Western Bank (TSX:CWB) is the 10th-largest bank in Canada in terms of total assets. At current levels, the company's stock trades at just 10.4 times fiscal 2015's estimated earnings per share of \$2.68 and only 9.7 times fiscal 2016's estimated earnings per share of \$2.86, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 13.6. Also, its stock trades at a mere 1.39 times its book value per share of \$19.99, which is very inexpensive compared to its market-to-book value of 1.93 at the conclusion of fiscal 2014, and it pays an annual dividend of \$0.84 per share, which gives its stock a generous 3% yield.

3. Home Capital Group

Home Capital Group (TSX:HCG) is one of the largest holding companies in Canada. At today's levels, the company's stock trades at just 9.7 times fiscal 2015's estimated earnings per share of \$4.40 and a mere 8.5 times fiscal 2016's estimated earnings per share of \$5, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 9.9. Also, its stock trades at only 2.07

times its book value per share of \$20.67, which is inexpensive compared to its market-to-book value of 2.57 at the conclusion of fiscal 2014, and it pays an annual dividend of \$0.88 per share, giving its stock a 2.1% yield.

Which of these top stocks belong in your portfolio?

National Bank of Canada, Canadian Western Bank, and Home Capital Group represent three of the top investment opportunities in the financial sector today. Foolish investors should take a closer look and strongly consider establishing positions in one of them.

CATEGORY

- 1. Bank Stocks
- 2. Investing

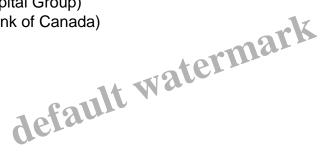
TICKERS GLOBAL

- 1. TSX:CWB (Canadian Western Bank)
- 2. TSX:HCG (Home Capital Group)
- 3. TSX:NA (National Bank of Canada)

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