



## 3 Cheap Dividend-Paying Stocks Poised to Break Out

### Description

As many of us have found out the hard way, finding the right stock at the right price can be very tricky. In order to make this process very easy, I have compiled a list of three dividend-paying stocks that are trading at inexpensive forward valuations compared with the industry average, so let's take a closer look at each to determine which one would fit best in your portfolio.

#### 1. Magna International Inc.

**Magna International Inc.** ([TSX:MG](#))([NYSE:MGA](#)) is one of the world's largest manufacturers and distributors of automotive products. At today's levels, its stock trades at just 15.2 times fiscal 2015's estimated earnings per share of \$4.71 and only 12.6 times fiscal 2016's estimated earnings per share of \$5.67, both of which are inexpensive compared with the industry average price-to-earnings multiple of 17.9. In addition, the company pays a quarterly dividend of \$0.22 per share, or \$0.88 per share annually, giving its stock a 1.5% yield.

#### 2. Agrium Inc.

**Agrium Inc.** (TSX:AGU)(NYSE:AGU) is one of the world's largest providers of agricultural products and services. At current levels, its stock trades at just 16.8 times its median earnings per share outlook of \$7.63 for fiscal 2015 and only 14.5 times analysts' estimated earnings per share of \$8.84 for fiscal 2016, both of which are inexpensive compared with the industry average price-to-earnings multiple of 19.7. Additionally, the company pays a quarterly dividend of \$0.875 per share, or \$3.50 per share annually, which gives its stock a 2.7% yield.

#### 3. Cott Corporation

**Cott Corporation** (TSX:BCB)(NYSE:COT) is one of the largest producers of beverages on behalf of retailers, brand owners, and distributors. At today's levels, its stock trades at just 21.7 times fiscal 2015's estimated earnings per share of \$0.58 and only 21 times fiscal 2016's estimated earnings per share of \$0.60, both of which are inexpensive compared with the industry average price-to-earnings multiple of 25.8. In addition, the company pays a quarterly dividend of \$0.06 per share, or \$0.24 per share annually, giving its stock a 1.9% yield.

### **Does one of these stocks fit your portfolio's needs?**

Magna International, Agrium, and Cott are three very inexpensive investment options in the market today. All long-term investors should strongly consider beginning to scale in to positions in one or more of them.

### **CATEGORY**

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### **TICKERS GLOBAL**

1. NYSE:MGA (Magna International Inc.)
2. TSX:MG (Magna International Inc.)
3. TSX:PRMW (Primo Water)

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