



3 Auto Stocks to Buy Right Now

Description

The North American auto market has been red hot as of late, and many investors are on the lookout for ways to profit from its growth. To make things easy, I have compiled a list of three auto stocks that are trading at inexpensive forward valuations compared with their industry averages, so let's take a closer look at each to determine which one would fit best in your portfolio.

1. AutoCanada Inc.

AutoCanada Inc. ([TSX:ACQ](#)) is Canada's largest public automotive dealer group. At today's levels, its stock trades at 20.1 times fiscal 2015's estimated earnings per share of \$2.05 and 13.5 times fiscal 2016's estimated earnings per share of \$3.07, the latter of which is inexpensive compared with the industry average price-to-earnings multiple of 19.7. In addition, the company pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, giving its stock a 2.4% yield.

2. Magna International Inc.

Magna International Inc. ([TSX:MG](#))([NYSE:MGA](#)) is one of the world's leading manufacturers and distributors of automotive products. At current levels, its stock trades at 14.9 times fiscal 2015's estimated earnings per share of \$4.71 and 12.4 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 16.9. Additionally, the company pays a quarterly dividend of \$0.22 per share, or \$0.88 per share annually, which gives its stock a 1.25% yield.

3. Martinrea International Inc.

Martinrea International Inc. ([TSX:MRE](#)) is one of the world's leading producers of quality steel, aluminum metal parts, and fluid management systems for the automotive industry. At today's levels, its stock trades at 10 times fiscal 2015's estimated earnings per share of \$1.34 and 8.4 times fiscal 2016's estimated earnings per share of \$1.59, both of which are inexpensive compared with the industry average price-to-earnings multiple of 16.9. In addition, the company pays a quarterly dividend of \$0.03 per share, or \$0.12 per share annually, giving its stock a 0.9% yield.

Could your portfolio use an auto stock?

AutoCanada, Magna International, and Martinrea International are three of the best long-term investment opportunities in the auto industry. Foolish investors should strongly consider beginning to scale in to positions in one of them today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:ACQ (AutoCanada Inc.)
3. TSX:MG (Magna International Inc.)
4. TSX:MRE (Martinrea International Inc.)

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