

3 Cheap Dividend-Paying Financial Stocks to Buy Today

Description

As many investors know, finding the right stock at the right price is not an easy task. It is even harder when you are searching for an inexpensive dividend-paying stock in a specific sector, like financials. To make this very specific search easier, I have compiled a list of three dividend-paying financial stocks that are trading at inexpensive valuations compared with their five-year averages, so let's take a closer look at each to find out which would fit best in your portfolio.

1. Manulife Financial Corp.

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#)) is one of the largest financial services companies in the world. At today's levels, its stock trades at 13.1 times fiscal 2015's estimated earnings per share of \$1.78 and 11.3 times fiscal 2016's estimated earnings per share of \$2.06, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 54.3. In addition, the company pays a quarterly dividend of \$0.17 per share, or \$0.68 per share annually, giving its stock a 2.9% yield.

2. IGM Financial Inc.

IGM Financial Inc. ([TSX:IGM](#)) is one of the largest personal financial services companies in Canada, and it is one of the country's largest mutual fund managers. At current levels, its stock trades at 12.1 times fiscal 2015's estimated earnings per share of \$3.36 and 11.4 times fiscal 2016's estimated earnings per share of \$3.57, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 15.9. Additionally, the company pays a quarterly dividend of \$0.5625 per share, or \$2.25 per share annually, which gives its stock a 5.5% yield.

3. Canadian Western Bank

Canadian Western Bank ([TSX:CWB](#)) is one of the largest banking institutions in Canada, with over \$21.5 billion in total assets. At today's levels, its stock trades at 10.6 times fiscal 2015's estimated earnings per share of \$2.65 and 9.9 times fiscal 2016's estimated earnings per share of \$2.84, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 13.7. In addition, the company pays a quarterly dividend of \$0.22 per share, or \$0.88 per share annually, giving its stock a 3.1% yield.

Which of these financial stocks should you buy today?

Manulife, IGM, and Canadian Western Bank represent three of best long-term investment opportunities in the financial sector. Foolish investors should strongly consider beginning to scale in to positions in one of them today.

CATEGORY

1. Bank Stocks

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

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:CWB (Canadian Western Bank)
3. TSX:IGM (IGM Financial Inc.)
4. TSX:MFC (Manulife Financial Corporation)

Category

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

Tags

1. Editor's Choice

Date

2025/07/26

Date Created

2015/07/03

Author

jsolitto

default watermark

default watermark