



3 Cheap Small-Cap Stocks to Buy Today

Description

Finding the right stock at the right price can be a grueling process, and sometimes our searches turn up zero results and leave us frustrated. To make things very easy for you, I have done the hard part and compiled a list of three small-cap stocks that are trading at inexpensive valuations compared with their five-year averages, so let's take a closer look at each so you can decide which would fit best in your portfolio.

1. Russel Metals Inc.

Russel Metals Inc. ([TSX:RUS](#)) is one of North America's largest metals distribution companies. At today's levels, its stock trades at 16.3 times fiscal 2015's estimated earnings per share of \$1.40 and 12.9 times fiscal 2016's estimated earnings per share of \$1.77, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 22. In addition, the company pays a quarterly dividend of \$0.38 per share, or \$1.52 per share annually, giving its stock a 6.65% yield.

2. Student Transportation Inc.

Student Transportation Inc. (TSX:STB)(NASDAQ:STB) is one of the largest providers of school bus transportation services in North America. At current levels, its stock trades at 143.8 times fiscal 2015's estimated earnings per share of \$0.04 and 95.8 times fiscal 2016's estimated earnings per share of \$0.06, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 178.2. Additionally, the company pays a monthly dividend of \$0.0464 per share, or \$0.556 per share annually, which gives its stock a 9.7% yield.

3. AGF Management Limited

AGF Management Limited ([TSX:AGF.B](#)) is a Canadian-based investment management firm, serving institutions and individuals worldwide. At today's levels, its stock trades at nine times fiscal 2015's estimated earnings per share of \$0.66 and 8.5 times fiscal 2016's estimated earnings per share of \$0.70, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 21.7. Also, the company pays a quarterly dividend of \$0.08 per share, or \$0.32 per share annually, giving its stock a 5.4% yield.

Should you buy one of these small caps today?

Russel Metals, Student Transportation, and AGF Financial are three of the most attractive small-cap stocks in the market today. Foolish investors should take a closer look and consider buying one of them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AGF.B (AGF Management Limited)
2. TSX:RUS (Russel Metals)

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