

Value Investors: 3 Stocks to Buy Right Now

Description

As investors know, it can be very difficult finding the right stock at the right price when we are ready to buy. To make things easier for you, I have scoured the market and found three stocks that are trading at inexpensive forward valuations compared with their five-year averages, so let's take a closer look to determine which would be the best fit for your portfolio.

1. SNC-Lavalin Group Inc.

SNC-Lavalin Group Inc. (TSX:SNC) is one of the world's largest engineering and construction companies. At today's levels, its stock trades at 17 times fiscal 2015's estimated earnings per share of \$2.34 and 16.2 times fiscal 2016's estimated earnings per share of \$2.45, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 43.7. In addition, the company pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, giving its stock a 2.5% yield.

2. RONA Inc.

RONA Inc. (TSX:RON) is one of Canada's largest retailers of home improvement products. At current levels, its stock trades at 15.7 times fiscal 2015's estimated earnings per share of \$0.95 and 13.8 times fiscal 2016's estimated earnings per share of \$1.08, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 23.4. Also, the company pays a quarterly dividend of \$0.04 per share, or \$0.16 per share annually, which gives its stock a 1.1% yield.

3. Open Text Corporation

Open Text Corporation (TSX:OTC)([NASDAQ:OTEX](#)) is one of the world's largest providers of enterprise information management (EIM). At today's levels, its stock trades at 17.1 times fiscal 2016's estimated earnings per share of US\$3.50 and 16.3 times fiscal 2017's estimated earnings per share of US\$3.68, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 29.4. Additionally, the company pays a quarterly of US\$0.20 per share, or US\$0.80 per share annually, giving its stock a 1.7% yield.

Which of these stocks would be the best fit for your portfolio?

SNC-Lavalin Group, RONA, and Open Text are three of the top value play in their respective industries. Foolish investors should strongly consider initiating long-term positions in at least one of them today.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:ATRL (SNC-Lavalin Group)
3. TSX:OTEX (Open Text Corporation)

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Date

2025/07/25

Date Created

2015/08/18

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