



3 Oversold Stocks Ready to Pop

Description

As investors know, finding the right stock at the right price is not an easy task, but the recent downturn in the market has created a plethora of opportunities. Let's take a look three oversold stocks that are now trading at inexpensive valuations compared with their industry averages to determine which would be the best fit for your portfolio.

1. Canadian Tire Corporation Limited

Canadian Tire Corporation Limited ([TSX:CTC.A](#)) is one Canada's largest retailers, and it is the company behind brands such as Canadian Tire, Mark's, FGL Sports, and Sport Chek. At today's levels, its stock trades at 15.9 times fiscal 2015's estimated earnings per share of \$7.78 and 14.5 times fiscal 2016's estimated earnings per share of \$8.56, both of which are inexpensive compared with the industry average price-to-earnings multiple of 30.8.

In addition, the company pays a quarterly dividend of \$0.525 per share, or \$2.10 per share annually, giving its stock a 1.7% yield.

2. The Jean Coutu Group Inc.

The Jean Coutu Group Inc. (TSX:PJC.A) is one of the largest owners and operators of pharmacies in Canada, and it is also the owner of Pro Doc Ltd., a manufacturer of generic drugs. At current levels, its stock trades at 16.9 times fiscal 2016's estimated earnings per share of \$1.18 and 16.2 times fiscal 2017's estimated earnings per share of \$1.23, both of which are inexpensive compared with the industry average price-to-earnings multiple of 22.2.

Also, the company pays a quarterly dividend of \$0.11 per share, or \$0.44 per share annually, which gives its stock a 2.2% yield.

3. AutoCanada Inc.

AutoCanada Inc. ([TSX:ACQ](#)) is Canada's largest public automotive dealership group. At today's levels, its stock trades at 13.5 times fiscal 2015's estimated earnings per share of \$1.95 and 9.9 times

fiscal 2016's estimated earnings per share of \$2.67, both which are inexpensive compared with the industry average price-to-earnings multiple of 30.8.

Additionally, the company pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, giving its stock a 3.8% yield.

Should you add one of these stocks to your portfolio?

Canadian Tire Corporation, The Jean Coutu Group, and AutoCanada are three of the top value plays in their respective industries, and all three stocks are ready to pop. Foolish investors should take a closer look and consider initiating positions in one or more of them today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ACQ (AutoCanada Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:TLRY (Aphria)

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