



3 Oversold Financial Stocks to Buy Today

Description

As investors know, finding the right stock at the right price can be a very difficult task, but the recent downturn in the market has created a plethora of opportunities, especially in the financial sector. Let's take a look at three beaten-down financial stocks that are now trading at inexpensive forward valuations compared with their five-year averages, so you can decide which would be the best fit for your portfolio.

1. Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is the fifth-largest bank in Canada, with approximately \$457.8 billion in total assets.

At today's levels, its stock trades at 10.2 times fiscal 2015's estimated earnings per share of \$9.31 and 9.9 times fiscal 2016's estimated earnings per share of \$9.55, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 11.4.

In addition, the company pays a quarterly dividend of \$1.12 per share, or \$4.48 per share annually, giving its stock a 4.7% yield.

2. Equitable Group Inc.

Equitable Group Inc. ([TSX:EQB](#)) is one of the largest financial institutions in Canada, providing both savings solutions and mortgage lending products.

At current levels, its stock trades at 6.9 times fiscal 2015's estimated earnings per share of \$7.62 and 6.5 times fiscal 2016's estimated earnings per share of \$8.09, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 7.9.

Also, the company pays a quarterly dividend of \$0.19 per share, or \$0.76 per share annually, which gives its stock a 1.4% yield.

3. IGM Financial Inc.

IGM Financial Inc. ([TSX:IGM](#)) is one of the largest personal financial services companies in Canada.

At today's levels, its stock trades at 11 times fiscal 2015's estimated earnings per share of \$3.24 and 10.5 times fiscal 2016's estimated earnings per share of \$3.39, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 15.9.

In addition, the company pays a quarterly dividend of \$0.5625 per share, or \$2.25 per share annually, giving its stock a 6.3% yield.

Which of these financial stocks should you buy?

Canadian Imperial Bank of Commerce, Equitable Group, and IGM Financial are three of the top value plays in the financial sector, and all have the added benefit of dividends. All Foolish investors should strongly consider establishing positions in one of them today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:IGM (IGM Financial Inc.)

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