



3 of the Best Stocks Money Can Buy

Description

As most investors have come to know, finding the right stock at the right price is not an easy task, especially if you're looking for one that can provide both growth and income. In order to make things easier for you, I have done the ground work and found three stocks with yields of 3% or more that are trading at inexpensive forward valuations. Let's take a closer look at each to determine which would be the best fit for your portfolio.

1. Enbridge Inc.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is one of world's leading transporters and distributors of crude oil and natural gas.

At today's levels, its stock trades at just 25.1 times fiscal 2015's estimated earnings per share of \$2.20 and only 21.6 times fiscal 2016's estimated earnings per share of \$2.56, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 245.6 and its five-year average multiple of 62.5.

I think Enbridge's stock could consistently command a fair multiple of at least 30, which would place its shares upwards of \$76 by the conclusion of fiscal 2016, representing upside of more than 37% from current levels.

In addition, the company pays a quarterly dividend of \$0.465 per share, or \$1.86 per share annually, giving its stock a 3.4% yield.

2. DH Corp.

DH Corp. (TSX:DH) is one of the leading providers of financial technology to the world's financial institutions.

At current levels, its stock trades at just 16.7 times fiscal 2015's estimated earnings per share of \$2.38 and only 15 times fiscal 2016's estimated earnings per share of \$2.64, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 32 and its five-year average multiple of

24.8.

I think DH Corp.'s stock could consistently command a fair multiple of at least 20, which would place its shares upwards of \$52 by the conclusion of fiscal 2016, representing upside of more than 30% from today's levels.

Also, the company pays a quarterly dividend of \$0.32 per share, or \$1.28 per share annually, which gives its stock a 3.2% yield.

3. Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is the fourth-largest bank in Canada, with approximately \$672.4 billion in total assets.

At today's levels, its stock trades at just 11.1 times fiscal 2015's estimated earnings per share of \$6.80 and only 10.6 times fiscal 2016's estimated earnings per share of \$7.12, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 12 and its five-year average multiple of 11.2.

I think Bank of Montreal's stock could consistently command a fair multiple of at least 12, which would place its shares upwards of \$85 by the conclusion of fiscal 2015, representing upside of more than 12% from current levels.

Additionally, the company pays a quarterly dividend of \$0.82 per share, or \$3.28 per share annually, giving its stock a 4.3% yield.

Which of these stocks should you buy today?

Enbridge, DH Corp., and Bank of Montreal represent three of the best long-term investment opportunities in the market today. Foolish investors should strongly consider making one of them a core holding.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Tech Stocks

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:ENB (Enbridge Inc.)

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