



## 2 Triple-Digit Stocks Worth Every Penny: Part 4

### Description

*Editor's note: The Agrium section of this article has been updated from its original version with data that reflects a current stock price in USD. The original version quoted the share price in CAD and calculated forward P/E ratios and potential upside using this figure.*

As Foolish investors know, the price of a stock does not matter, because the fundamentals, such as its valuations and its dividend yield, are what make it a buy or sell. With this in mind, let's take at two stocks trading in the triple-digits that are worth every penny, so you can determine if you should buy one of them today.

#### 1. Morguard Corporation: \$149.00 per share

**Morguard Corporation** ([TSX:MRC](#)) is a fully integrated real estate company. It owns and manages a portfolio of commercial and residential properties, provides real estate advisory services and portfolio management services, and owns a significant interest in two real estate investment trusts.

At today's levels, its stock trades at just 13.3 times fiscal 2015's estimated earnings per share of \$11.23 and only 10.8 times fiscal 2016's estimated earnings per share of \$13.74, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 16.8 and its industry average multiple of 18.5.

I think Morguard's stock could consistently command a fair multiple of at least 15, which would place its shares upwards of \$206 by the conclusion of fiscal 2016, representing upside of more than 38% from current levels.

In addition, the company pays a quarterly dividend of \$0.15 per share, or \$0.60 per share annually, giving its stock a 0.4% yield.

#### 2. Agrium Inc.: \$93.92 per share

(All figures are in U.S. dollars)

**Agrium Inc.** (TSX:AGU)(NYSE:AGU) is one of the world's largest producers and distributors of agricultural products and related services.

At current levels, its stock trades at just 13.2 times fiscal 2015's estimated earnings per share of \$7.13 and only 11.7 times fiscal 2016's estimated earnings per share of \$8.02, both of which are inexpensive compared with its industry average price-to-earnings multiple of 19 and with AGU's trailing 12-month multiple of 16.1.

I think Agrium's stock could consistently command a fair multiple of at least 18, which would place its shares upwards of \$144 by the conclusion of fiscal 2016, representing upside of more than 53.3% from today's levels.

Additionally, the company pays a quarterly dividend of \$0.875 per share, or \$3.50 per share annually, which gives its stock a 3.7% yield.

### **Should you buy one of these triple-digit stocks today?**

Morguard and Agrium may have triple-digit stock prices, but they are both worth every penny. Foolish investors should strongly consider initiating positions in one of them today.

#### **CATEGORY**

1. Investing

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#### **Date**

2025/09/30

#### **Date Created**

2015/10/21

#### **Author**

jsolitro

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