



3 Diversified Stock Picks for Value-Conscious Investors

Description

If you're a value investor, then this article is for you. I've scoured the market and found three stocks from three different industries that are trading at inexpensive forward valuations, so let's take a quick look at each to determine which would fit best in your portfolio.

1. National Bank of Canada

National Bank of Canada ([TSX:NA](#)) is one Canada's largest banks with approximately \$215.6 billion in total assets.

At today's levels, its stock trades at just 9.2 times fiscal 2015's estimated earnings per share of \$4.70 and only nine times fiscal 2016's estimated earnings per share of \$4.81, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 9.6, its five-year average multiple of 10.2, and its industry average multiple of 13.3.

I think National Bank's stock could consistently command a fair multiple at least 12, which would place its shares upwards of \$57 by the conclusion of fiscal 2016, representing upside of more than 32% from current levels.

In addition, the company pays a quarterly dividend of \$0.52 per share, or \$2.08 per share annually, giving its stock a 4.8% yield.

2. TransForce Inc.

TransForce Inc. (TSX:TFI) is one of the largest providers of transportation and logistics services in North America.

At current levels, its stock trades at just 14.3 times fiscal 2015's estimated earnings per share of \$1.88 and only 13.1 times fiscal 2016's estimated earnings per share of \$2.06, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 17.1, its five-year average multiple of 22.1, and its industry average multiple of 23.3.

I think TransForce's stock could consistently command a fair multiple of at least 17, which would place its shares upwards of \$35 by the conclusion of fiscal 2016, representing upside of more than 29% from today's levels.

Also, the company pays a quarterly dividend of \$0.17 per share, or \$0.68 per share annually, which gives its stock a 2.5% yield.

3. Macdonald Dettwiler & Associates Ltd.

Macdonald Dettwiler & Associates Ltd. ([TSX:MDA](#)) is a global communications and information company, providing operational solutions to commercial and government organizations worldwide.

At today's levels, its stock trades at just 13 times fiscal 2015's estimated earnings per share of \$6.16 and only 12.2 times fiscal 2016's estimated earnings per share of \$6.57, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 42.9, its five-year average multiple of 27.9, and its industry average multiple of 23.4.

I think Macdonald Dettwiler's stock could consistently command a fair multiple of at least 15, which would place its shares upwards of \$98 by the conclusion of fiscal 2016, representing upside of more than 22% from current levels.

In addition, the company pays a quarterly dividend of \$0.37 per share, or \$1.48 per share annually, giving its stock a 1.85% yield.

Which of these stocks should you buy today?

National Bank of Canada, TransForce, and Macdonald Dettwiler represent three of the best long-term investment opportunities in their respective industries. Foolish investors should take a closer look and consider initiating positions in one or more of them today.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NA (National Bank of Canada)
2. TSX:TFII (TFI International)

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