



3 Stocks for the Value-Obsessed Investor

Description

As value-obsessed investors, we are always on the lookout for high-quality companies whose stocks are trading at discounts compared with their recent averages. Well, I have scoured the market and found three prime investment options from three different industries, so let's take a quick look at each to determine if you should buy one of them today.

1. Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the largest bank in Canada with approximately \$1.1 trillion in total assets.

At today's levels, its stock trades at just 11.9 times fiscal 2015's estimated earnings per share of \$4.59 and only 11.3 times fiscal 2016's estimated earnings per share of \$4.83, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 13.2 and its industry average multiple of 12.9.

I think TD Bank's stock could consistently trade at a fair multiple of at least 13, which would place its shares upwards of \$62 by the conclusion of fiscal 2016, representing upside of more than 13% from current levels.

In addition, the company pays a quarterly dividend of \$0.51 per share, or \$2.04 per share annually, giving its stock a 3.75% yield.

2. Industrial Alliance Insurance and Financial Services Inc.

Industrial Alliance Insur. & Fin. Ser. ([TSX:IAG](#)) is one of the largest providers of life and health insurance products in Canada.

At current levels, its stock trades at just 11.7 times fiscal 2015's estimated earnings per share of \$3.63 and only 9.8 times fiscal 2016's estimated earnings per share of \$4.34, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 14.7 and its industry average multiple of 24.3.

I think Industrial Alliance's stock could consistently trade at a fair multiple of at least 12, which would place its shares upwards of \$52 by the conclusion of fiscal 2016, representing upside of more than 22% from current levels.

Additionally, the company pays a quarterly dividend of \$0.30 per share, or \$1.20 per share annually, giving its stock a 2.8% yield.

3. Stantec Inc.

Stantec Inc. ([TSX:STN](#))([NYSE:STN](#)) is one of the world's leading providers of architectural, engineering, and environmental services.

At today's levels, its stock trades at just 18.4 times fiscal 2015's estimated earnings per share of \$1.83 and only 16 times fiscal 2016's estimated earnings per share of \$2.11, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 59.9 and its industry average multiple of 25.3.

I think Stantec's stock could consistently trade at a fair multiple of at least 20, which would place its shares upwards of \$42 by the conclusion of fiscal 2016, representing upside of more than 24% from current levels.

Also, the company pays a quarterly dividend of \$0.105 per share, or \$0.42 per share annually, giving its stock a 1.2% yield.

Does your portfolio need more value?

Toronto-Dominion Bank, Industrial Alliance, and Stantec are three of the top value plays in their respective industries. All Foolish investors should strongly consider beginning to scale in to long-term positions in at least one of them today.

CATEGORY

1. Bank Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:STN (Stantec Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
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