



## 3 Top Stocks I'd Buy With an Extra \$15,000

### Description

As most investors have come to know, finding the right stock at the right price can be a very difficult task, especially if you're looking for one that can provide both growth and dividend income. Well, in order to make things easier for you, I have done the hard part and found three dividend-paying stocks that are trading at inexpensive forward valuations, so let's take a quick look at each to determine which would be the best fit for your portfolio.

#### 1. CI Financial Corp.

**CI Financial Corp.** ([TSX:CIX](#)) is one of the largest investment fund companies in Canada.

At today's levels, its stock trades at just 15.4 times fiscal 2015's estimated earnings per share of \$2.03 and only 14.1 times fiscal 2016's estimated earnings per share of \$2.21, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 19.4 and its industry average multiple of 44.1.

I think CI Financial's stock could consistently trade at a fair multiple of about 18, which would place its shares upwards of \$39 by the conclusion of fiscal 2016, representing upside of more than 24% from today's levels.

In addition, the company pays a monthly dividend of \$0.11 per share, or \$1.32 per share annually, giving its stock a 4.2% yield.

#### 2. Transcontinental Inc.

**Transcontinental Inc.** ([TSX:TCL.A](#)) is the largest printer in Canada with operations in print and digital media, flexible packaging, and publishing.

At current levels, its stock trades at just nine times fiscal 2015's estimated earnings per share of \$2.36 and only 8.8 times fiscal 2016's estimated earnings per share of \$2.42, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 158.6 and its industry average multiple of 28.2.

I think Transcontinental's stock could consistently trade at a fair multiple of at least 12, which would place its shares around \$29 by the conclusion of fiscal 2016, representing upside of more than 35% from today's levels.

Additionally, the company pays a quarterly dividend of \$0.17 per share, or \$0.68 per share annually, giving its stock a 3.2% yield.

### **3. Shaw Communications Inc.**

**Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) is one of the largest telecommunications and media companies in Canada.

At today's levels, its stock trades at just 15.4 times fiscal 2016's estimated earnings per share of \$1.77 and only 14.9 times fiscal 2017's estimated earnings per share of \$1.83, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 15.9 and its industry average multiple of 25.4.

I think Shaw's stock could consistently trade at a fair multiple of about 18, which would place its shares around \$33 by the conclusion of fiscal 2017, representing upside of more than 21% from current levels.

Also, the company pays a monthly dividend of \$0.09875, or \$1.185 per share annually, giving its stock a 4.35% yield.

### **Which of these stocks should you buy today?**

CI Financial, Transcontinental, and Shaw Communications are three of the top value plays in their respective industries, and all have the added benefit of dividend yields of over 3%. All Foolish investors should strongly consider initiating positions in at least one of them today.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:CIX (CI Financial)
3. TSX:SJR.B (Shaw Communications)
4. TSX:TCL.A (Transcontinental Inc.)

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