



3 Bargain Stocks I Just Added to My Watch List

Description

If you're a value-conscious 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. Inter Pipeline Ltd.

Inter Pipeline Ltd. (TSX:IPL) is one of largest providers of petroleum transportation, bulk liquid storage, and natural gas liquids extraction services in North America and Europe.

At today's levels, its stock trades at just 17 times fiscal 2015's estimated earnings per share of \$1.28 and only 15.2 times fiscal 2016's estimated earnings per share of \$1.43, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 28.9.

I think Inter Pipeline's stock could consistently command a fair multiple of at least 20, which would place its shares upwards of \$28 by the conclusion of fiscal 2016, representing upside of more than 28% from current levels.

Investors must also note that the company pays a monthly dividend of \$0.13 per share, or \$1.56 per share annually, giving its stock a 7.2% yield.

2. Magna International Inc.

(All figures are in U.S. dollars)

Magna International Inc. ([TSX:MG](#))([NYSE:MGA](#)) is one of the world's leading suppliers of automotive products and services.

At current levels, its stock trades at just 9.4 times fiscal 2015's estimated earnings per share of \$4.40 and only 7.9 times fiscal 2016's estimated earnings per share of \$5.23, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 11.2.

I think Magna's stock could consistently command a fair multiple of at least 11, which would place its shares upwards of \$57 by the conclusion of fiscal 2016, representing upside of over 37% from today's levels.

It is also important to note that the company pays a quarterly dividend of \$0.22 per share, of \$0.88 per share annually, giving its stock a 2.1% yield.

3. MTY Food Group Inc.

MTY Food Group Inc. ([TSX:MTY](#)) is one Canada's largest franchisers of restaurants, and its brands include Tiki-Ming, Manchu WOK, La Cremiere, and Valentine.

At today's levels, its stock trades at just 19.7 times fiscal 2015's estimated earnings per share of \$1.60 and only 19.3 times fiscal 2016's estimated earnings per share of \$1.64, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 22.1.

I think MTY's stock could consistently command a fair multiple of at least 22, which would place its shares upwards of \$36 by the conclusion of fiscal 2016, representing upside of more than 14% from current levels.

Investors should also note that the company pays a quarterly dividend of \$0.10 per share, or \$0.40 per share annually, giving its stock a 1.3% yield.

Which of these stocks fit your portfolio's needs?

Inter Pipeline, Magna, and MTY Food Group are three of the top bargains in their respective industries. All Foolish investors should take a closer look and strongly consider initiating positions in one of them over the next couple of trading sessions.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:MG (Magna International Inc.)
3. TSX:MTY (MTY Food Group)

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Author

jsolitro

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