



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

Description

Finding the right stock at the right price can be a very difficult task. This we can all agree on. Well, in order to make things easier for you, I have done the hard part 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 see which would fit best in your portfolio.

1. Silver Wheaton Corp.

(All figures are in U.S. dollars)

Silver Wheaton Corp. (TSX:SLW)(NYSE:SLW) is the world's largest precious metals streaming company.

At today's levels, its stock trades at just 24.5 times fiscal 2015's estimated earnings per share of \$0.51 and only 18.9 times fiscal 2016's estimated earnings per share of \$0.66, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 33.1.

I think Silver Wheaton's stock could consistently trade at a fair multiple of at least 25, which would place its shares upwards of \$16 by the conclusion of fiscal 2016, representing upside of about 28% from current levels.

Also, the company pays a quarterly dividend of \$0.05 per share, or \$0.20 per share annually, giving its stock a 1.6% yield

2. Enbridge Inc.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is one of world's leading transporters and distributors of crude oil and natural gas.

At today's levels, its stock trades at just 20.7 times fiscal 2015's estimated earnings per share of \$2.15 and only 17.7 times fiscal 2016's estimated earnings per share of \$2.52, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 63.

I think Enbridge's stock could consistently command a fair multiple of at least 25, which would place its shares around \$63 by the conclusion of fiscal 2016, representing upside of more than 41% from current levels.

In addition, the company pays a quarterly dividend of \$0.53 per share, or \$2.12 per share annually, giving its stock a 4.8% yield.

3. Linamar Corporation

Linamar Corporation ([TSX:LNR](#)) is one of the world's largest manufacturers of powertrain system solutions.

At today's levels, its stock trades at just 11.2 times fiscal 2015's estimated earnings per share of \$6.56 and only 9.5 times fiscal 2016's estimated earnings per share of \$7.75, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 12.6.

I think Linamar's stock could consistently command a fair multiple of at least 12, which would place its shares around \$93 by the conclusion of fiscal 2016, representing upside of more than 26% from current levels.

Also, the company pays a quarterly dividend of \$0.10 per share, or \$0.40 per share annually, giving its stock a 0.5% yield.

Should you add value to your portfolio before 2016?

Silver Wheaton, Enbridge, and Linamar are three very attractive long-term investment options. All Foolish investors should take a closer look and consider beginning to scale in to positions in one of them over the next couple of trading sessions.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:LNR (Linamar Corporation)
4. TSX:WPM (Wheaton Precious Metals Corp.)

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

Date

2025/08/04

Date Created

2015/12/22

Author

jsolitro

default watermark

default watermark