



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

Description

One aspect of investing most of us can agree on is that it can be very difficult finding the right stock at the right price when we are ready to buy. Well, to make things easier for those of you looking to make a purchase today, I scoured the market and compiled a list of three of my top stock picks from three different sectors, so let's take a quick look at each to find out which would fit best in your portfolio.

1. BCE Inc.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) is the largest communications company in Canada.

At today's levels, its stock trades at 16 times fiscal 2015's estimated earnings per share of \$3.40 and just 15.4 times fiscal 2016's estimated earnings per share of \$3.55, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 16.1 and its industry average multiple of 22.

With the multiples above and its estimated 5.1% long-term earnings growth rate in mind, I think BCE's stock could consistently trade at a fair multiple of about 18, which would place its shares around \$64 by the conclusion of fiscal 2016, representing upside of more than 17% from current levels.

In addition, the company pays a quarterly dividend of \$0.65 per share, or \$2.60 per share annually, which gives its stock a 4.8% yield. It is also important to note that it has raised its annual dividend payment for seven consecutive years.

2. Ritchie Bros. Auctioneers

Ritchie Bros. Auctioneers ([TSX:RBA](#))([NYSE:RBA](#)) is the world's largest industrial auctioneer.

At today's levels, its stock trades at just 18.3 times fiscal 2015's estimated earnings per share of US\$1.19 and only 17.4 times fiscal 2016's estimated earnings per share of US\$1.25, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 29.5 and its industry average multiple of 24.4.

With the multiples above and its estimated 10% long-term earnings growth rate in mind, I think Ritchie Bros.'s stock could consistently trade at a fair multiple of at least 20, which would place its shares around \$25 by the conclusion of fiscal 2016, representing upside of more than 14% from current levels.

Additionally, the company pays a quarterly dividend of US\$0.16 per share, or US\$0.64 per share annually, which gives its stock a 2.9% yield. Investors must also note that it has raised its annual dividend payment for 12 consecutive years.

3. Superior Plus Corp.

Superior Plus Corp. ([TSX:SPB](#)) is a diversified business corporation with operations in the energy, specialty chemicals, and construction industries.

At today's levels, its stock trades at just 22.3 times fiscal 2015's estimated earnings per share of \$0.46 and only 11.4 times fiscal 2016's estimated earnings per share of \$0.90, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 43.5 and its industry average multiple of 34.6.

With the multiples above in mind, I think Superior Plus's stock could consistently trade at a fair multiple of at least 15, which would place its shares upwards of \$13 by the conclusion of fiscal 2016, representing upside of more than 26% from current levels.

In addition, the company pays a monthly dividend of \$0.06 per share, or \$0.72 per share annually, which gives its stock a 7% yield. It is also important to note that it has raised its annual dividend payment for two consecutive years.

Which of these stocks should you buy today?

BCE, Ritchie Bros. Auctioneers, and Superior Plus are three of the top investment options in their respective industries, and all have the added benefit of dividends. Foolish investors should strongly consider beginning to scale in to long-term positions in at least one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RBA (Ritchie Bros. Auctioneers)
3. TSX:BCE (BCE Inc.)
4. TSX:RBA (Ritchie Bros. Auctioneers)
5. TSX:SPB (Superior Plus Corp.)

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