



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

### Description

One of the most difficult tasks we face as investors is finding the right stock at the right price when we are ready to make a purchase. In order to make things easier for you, I scoured the market and found three stocks that are trading at major discounts compared with their five-year averages, so let's take a quick look at each to determine if you should buy one or more of them today.

#### 1. WSP Global Inc.

**WSP Global Inc.** ([TSX:WSP](#)) is one of the world's largest engineering consulting firms.

At today's levels, its stock trades at just 18.7 times fiscal 2015's estimated earnings per share of \$2.15 and only 14.7 times fiscal 2016's estimated earnings per share of \$2.74, both of which are inexpensive compared with its five-year average multiple of 27.4.

With its five-year average multiple and its estimated 27.4% earnings growth rate in fiscal 2016 in mind, I think WSP's stock could consistently command a fair multiple of at least 20, which would place its shares upwards of \$54 by the conclusion of fiscal 2016, representing upside of more than 34% from current levels.

Also, the company pays a quarterly dividend of \$0.375 per share, or \$1.50 per share annually, which gives its stock a yield of about 3.7%.

#### 2. Silver Wheaton Corp.

**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 21.7 times fiscal 2015's estimated earnings per share of US\$0.51 and only 19.8 times fiscal 2016's estimated earnings per share of US\$0.56, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 32.9.

With its five-year average multiple and its estimated 9.8% earnings growth rate in fiscal 2016 in mind, I

think Silver Wheaton's stock could consistently command a fair multiple of at least 25, which would place its shares around \$14 by the conclusion of fiscal 2016, representing upside of more than 26% from current levels.

In addition, the company pays a quarterly dividend of US\$0.05 per share, or US\$0.20 per share annually, which gives its stock a yield of about 1.8%.

### 3. Finning International Inc.

**Finning International Inc.** ([TSX:FTT](#)) is the world's largest dealer of Caterpillar equipment, parts, and services.

At today's levels, its stock trades at just 12.3 times fiscal 2015's estimated earnings per share of \$1.42 and only 11.9 times fiscal 2016's estimated earnings per share of \$1.47, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 18.6.

With its five-year average multiple and its estimated 3.5% earnings growth rate in fiscal 2016 in mind, I think Finning International's stock could consistently command a fair multiple of at least 15, which would place its shares upwards of \$22 by the conclusion of fiscal 2016, representing upside of more than 25% from current levels.

Also, the company pays a quarterly dividend of \$0.1825 per share, or \$0.73 per share annually, which gives its stock a yield of about 4.2%.

### Should you buy one of these undervalued stocks today?

WSP Global, Silver Wheaton, and Finning International are three very attractive long-term investment options. Foolish investors should take a closer look and strongly consider beginning to scale in to positions in at least one of them today.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:FTT (Finning International Inc.)
2. TSX:WPM (Wheaton Precious Metals Corp.)

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