



## 3 Inexpensive 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 buy, especially in today's volatile times. Well, to make things easier for those of you looking to make a purchase today, I scoured the market and found three undervalued stocks from different industries, so let's take a quick look at each to determine if you should buy one or all of them today.

#### 1. George Weston Limited

**George Weston Limited** ([TSX:WN](#)) is the largest food processor and distributor in Canada, and it is the company behind **Loblaw Companies Limited**, **Choice Properties Real Est Invstmnt Trst**, Weston Foods, Shoppers Drug Mart, and President's Choice Financial.

At today's levels, its stock trades at just 18.3 times fiscal 2015's estimated earnings per share of \$5.69 and only 15.6 times fiscal 2016's estimated earnings per share of \$6.68, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 41.7 and its industry average multiple of 26.5.

With the multiples above and its estimated 12.8% long-term earnings growth rate in mind, I think George Weston's stock could consistently trade at a fair multiple of at least 20, which would place its shares upwards of \$133.50 by the conclusion of fiscal 2016, representing upside of over 28% from today's levels.

In addition, the company pays a quarterly dividend of \$0.425 per share, or \$1.70 per share annually, which gives its stock a yield of about 1.6%.

#### 2. Algonquin Power & Utilities Corp.

**Algonquin Power & Utilities Corp.** ([TSX:AQN](#)) is one of the leading owners and operators of regulated and non-regulated utilities in North America.

At today's levels, its stock trades at just 29.2 times fiscal 2015's estimated earnings per share of \$0.41

and only 24.4 times fiscal 2016's estimated earnings per share of \$0.49, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 50.1 and its industry average multiple of 32.3.

With its five-year average multiple and its estimated 13.9% long-term earnings growth rate in mind, I think Algonquin's stock could consistently trade at a fair multiple of about 30, which would place its shares upwards of \$14.50 by the conclusion of fiscal 2016, representing upside of over 21% from today's levels.

Also, the company pays a quarterly dividend of US\$0.09625 per share, or US\$0.385 per share annually, which gives its stock a yield of about 4.3%.

### **3. Industrial Alliance Insurance and Financial Services Inc.**

**Industrial Alliance Insur. & Fin. Ser.** ([TSX:IAG](#)) is one of the leading providers of financial products and services in Canada, including life, health, auto, and home insurance.

At today's levels, its stock trades at just 11.3 times fiscal 2015's estimated earnings per share of \$3.60 and a mere 9.4 times fiscal 2016's estimated earnings per share of \$4.34, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 14.6 and its industry average multiple of 16.4.

With its five-year average multiple and its estimated 5.4% long-term earnings growth rate in mind, I think Industrial Alliance's stock could consistently trade at a fair multiple of at least 12, which would place its shares upwards of \$52 by the conclusion of fiscal 2016, representing upside of over 28% from current levels.

In addition, the company pays a quarterly dividend of \$0.30 per share, or \$1.20 per share annually, which gives its stock a yield of about 3%.

### **Should you buy one of these inexpensive stocks today?**

George Weston, Algonquin Power, and Industrial Alliance are three of the top value plays in their respective industries, and all have the added benefit of dividends. Foolish investors should take a closer look and strongly consider initiating positions in at least one of them today.

### **CATEGORY**

1. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. TSX:AQN (Algonquin Power & Utilities Corp.)
2. TSX:IAG (iA Financial Corporation Inc.)
3. TSX:WN (George Weston Limited)

## Category

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## Tags

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