

## 3 Strong Buys for Fundamental Investors

### Description

As a fundamental investor, I am always on the lookout for high-quality companies whose stocks are trading at discounted levels and have great dividends, and after a recent search of the market, I came across three very attractive opportunities. Let's take a quick look at each to determine which would fit best in your portfolio.

#### 1. Canadian National Railway Company

**Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)) is the largest rail network operator in Canada, and it is one of the five largest in North America.

At today's levels, its stock trades at just 17.3 times fiscal 2016's estimated earnings per share of \$4.71 and only 15.8 times fiscal 2017's estimated earnings per share of \$5.14, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 17.8 and its industry average multiple of 20.3.

In addition, Canadian National pays a quarterly dividend of \$0.375 per share, or \$1.50 per share annually, which gives its stock a yield of about 1.85%. It is also very important to note that the company's 20% dividend hike in January has it on pace for fiscal 2016 to mark the 20th consecutive year in which it has raised its annual dividend payment.

#### 2. Cogeco Communications Inc.

**Cogeco Communications Inc.** ([TSX:CCA](#)) is the second-largest cable system operator in Quebec, and it's the 11th largest in North America.

At today's levels, its stock trades at just 12 times fiscal 2016's estimated earnings per share of \$5.48 and only 11.4 times fiscal 2017's estimated earnings per share of \$5.78, both of which are very inexpensive compared with its five-year average price-to-earnings multiple of 23 and its industry average multiple of 24.9.

In addition, Cogeco pays a quarterly dividend of \$0.39 per share, or \$1.56 per share annually, which gives its stock a yield of about 2.4%. It is also very important to note that the company's 11.4% dividend hike in October 2015 has it on pace for fiscal 2016 to mark the 12th consecutive year in which it has raised its annual dividend payment.

#### 3. Magna International Inc.

**Magna International Inc.** ([TSX:MG](#))([NYSE:MGA](#)) is one of the largest suppliers of automotive products and related services in the world.

At today's levels, its stock trades at just 8.2 times fiscal 2016's estimated earnings per share of US\$5.13 and only 7.2 times fiscal 2017's estimated earnings per share of US\$5.86, both of which are

inexpensive compared with its five-year average price-to-earnings multiple of 10.9 and its industry average multiple of 21.4.

In addition, Magna pays a quarterly dividend of US\$0.25 per share, or US\$1.00 per share annually, which gives its stock a yield of about 2.4%. It is also very important to note that the company's 13.6% dividend hike in February has it on pace for fiscal 2016 to mark the seventh consecutive year in which it has raised its annual dividend payment.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:MGA (Magna International Inc.)
3. TSX:CCA (COGECO CABLE INC)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:MG (Magna International Inc.)

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## Author

jsolitro

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