



3 Undervalued Stocks That Belong on Your Watch List

Description

If you're a value-conscious investor, then this article is for you. I scoured the market and found three stocks from different industries that are trading at very inexpensive valuations, so I added them to my watch list. Let's take a closer look at each to determine if they belong on your watch list as well or if you should take it one step further by initiating a position in one of them today.

1. Manulife Financial Corp.

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#)) is the largest insurance company in Canada, the second-largest in North America, and the fifth-largest in the world with over \$935 billion in assets under management and administration.

At today's levels, its stock trades at just 9.7 times fiscal 2016's estimated earnings per share of \$1.91 and only 8.7 times fiscal 2017's estimated earnings per share of \$2.12, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 92.3 and its industry average multiple of 16.8. It also trades at less than one times its book value of \$19.51 per share.

In addition, Manulife pays a quarterly dividend of \$0.185 per share, or \$0.74 per share annually, which gives its stock a yield of about 4%. Investors should also note that its recent dividend hikes, including its 8.8% hike in February, have it on pace for fiscal 2016 to mark the third consecutive year in which it has raised its annual dividend payment.

2. Altus Group Ltd.

Altus Group Ltd. ([TSX:AIF](#)) is one of the leading providers of independent advisory services, software, and data solutions to the world's commercial real estate industry.

At today's levels, its stock trades at just 17.9 times fiscal 2016's estimated earnings per share of \$1.18 and only 15.6 times fiscal 2017's estimated earnings per share of \$1.36, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 51.9 and its industry average multiple of 22.4.

In addition, Altus pays a quarterly dividend of \$0.15 per share, or \$0.60 per share annually, which gives its stock a yield of about 2.8%. Investors should also note that the company has maintained this annual dividend rate since 2011.

3. AutoCanada Inc.

AutoCanada Inc. ([TSX:ACQ](#)) is one of Canada's largest multi-location automobile dealership groups with 54 operating dealerships, comprised of 62 franchises, in eight provinces.

At today's levels, its stock trades at just 11.5 times fiscal 2016's estimated earnings per share of \$1.73 and only 10 times fiscal 2017's estimated earnings per share of \$1.99, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 16.8 and its industry average multiple of 22.8.

In addition, AutoCanada pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, which gives its stock a yield of about 5%. Investors should also note that the company has raised its annual dividend payment for five consecutive years, but this streak will end if it does not announce a dividend hike by the end of the year.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:ACQ (AutoCanada Inc.)
3. TSX:MFC (Manulife Financial Corporation)

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