



3 Deeply Discounted Stocks Worth Buying Today

Description

As a value investor, I spend my days scouring the market to find great companies whose stocks are trading at discounted levels. There are many different ways to find discounted stocks, but my preferred method is to look for ones that are trading at very low price-to-earnings multiples compared with their recent averages.

I've done just that and found three stocks that are trading at less than 10 times their forward earnings estimates, so let's take a quick look at each to determine if you should buy one of them today.

1. Corus Entertainment Inc.

Corus Entertainment Inc. ([TSX:CJR.B](#)) is one of largest media and content companies in Canada. Its assets include 45 specialty television services, 15 conventional television stations, 39 radio stations, and a global content creation and distribution business.

At today's levels, its stock trades at just 9.8 times 2016's estimated earnings per share of \$1.23 and only 8.5 times fiscal 2017's estimated earnings per share of \$1.41, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 13.7 and its industry average multiple of 23.5.

In addition, Corus pays a monthly dividend of \$0.095 per share, or \$1.14 per share annually, which gives its stock a very high yield of about 9.5%, and this yield is easily supported by its growing amount of free cash flow. Investors must also note that the company has raised its annual dividend payment for 12 consecutive years, and it's currently on pace for 2016 to mark the 13th consecutive year with an increase.

2. Industrial Alliance Insurance and Financial Services Inc.

Industrial Alliance Insur. & Fin. Ser. ([TSX:IAG](#)) is one of the largest providers of financial products and services in Canada. Its offerings include life, car, home, mortgage, and critical illness insurance, savings and retirement plans, and loans.

At today's levels, its stock trades at just 9.7 times fiscal 2016's estimated earnings per share of \$4.27 and only 9.2 times fiscal 2017's estimated earnings per share of \$4.50, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 14.4 and its industry average multiple of 19.4.

In addition, Industrial Alliance pays a quarterly dividend of \$0.32 per share, or \$1.28 per share annually, which gives its stock a yield of about 3.1%. Investors must also note that the company has raised its annual dividend payment for two consecutive years, and it's currently on pace for 2016 to mark the third consecutive year with an increase.

3. Magna International Inc.

Magna International Inc. ([TSX:MG](#))([NYSE:MGA](#)) is one of the world's largest suppliers of automotive products and services. Its offerings include producing body, exterior, seating, closure, mirror, and roof systems, as well as complete vehicle engineering and contract manufacturing.

At today's levels, its stock trades at just 7.6 times fiscal 2016's estimated earnings per share of US\$5.14 and only 6.7 times fiscal 2017's estimated earnings per share of US\$5.87, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 10.9 and its industry average multiple of 23.9.

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 2.6%. Investors must also note that the company has raised its annual dividend payment for six consecutive years, and it's currently on pace for 2016 to mark the seventh consecutive year with an increase.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:IAG (iA Financial Corporation Inc.)
4. TSX:MG (Magna International Inc.)

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2016/05/20

Author

jsolitro

default watermark