



3 Undeniably Cheap Stocks to Consider Today

Description

As a value investor, I spend several hours each day scouring the market to find great companies whose stocks are trading at discounted levels. There are many different ways to find discounted stocks, but one of my preferred methods is to look for those that are trading at very low price-to-earnings multiples compared with their five-year and industry averages.

I've done just that and found three very attractive opportunities from different industries, so let's take a quick look at each to determine if you should buy one of them today.

1. Manulife Financial Corp.

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#)) is one of the world's leading providers of financial advice, insurance, and wealth and asset management solutions, operating as John Hancock in the United States and Manulife everywhere else.

Its stock currently trades at just 10.2 times fiscal 2016's estimated earnings per share of \$1.87 and only nine times fiscal 2017's estimated earnings per share of \$2.12, both of which are very inexpensive compared with its five-year average price-to-earnings multiple of 90.1 and its industry average multiple of 17.6.

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 3.9%. It's also important to note that the company has raised its annual dividend payment for two consecutive years, and its two hikes since the start of 2015, including its 8.8% hike in February, have it on pace for 2016 to mark the third consecutive year with an increase.

2. Macdonald Dettwiler & Associates Ltd.

Macdonald Dettwiler & Associates Ltd. ([TSX:MDA](#)) is a global communications, surveillance, and intelligence company, providing operational solutions to commercial and government organizations worldwide.

Its stock currently trades at just 13.4 times fiscal 2016's estimated earnings per share of \$6.29 and

only 12.3 times fiscal 2017's estimated earnings per share of \$6.87, both of which are very inexpensive compared with its five-year average price-to-earnings multiple of 28.9 and its industry average multiple of 21.8.

In addition, Macdonald Dettwiler pays a quarterly dividend of \$0.37 per share, or \$1.48 per share annually, which gives its stock a yield of about 1.75%. It's also important to note that the company raised its dividend by 13.8% in 2015, and this was its first increase since 2012.

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 capabilities range from producing body, exterior, and roof systems to complete vehicle engineering and contract manufacturing.

Its stock currently trades at just 8.1 times fiscal 2016's estimated earnings per share of US\$5.14 and only 7.1 times fiscal 2017's estimated earnings per share of US\$5.87, both of which are very inexpensive compared with its five-year average price-to-earnings multiple of 10.8 and its industry average multiple of 23.8.

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's also important to note that the company has raised its annual dividend payment for six consecutive years, and 13.6% hike in February has it on pace for 2016 to mark the seventh consecutive year with an increase.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:MGA (Magna International Inc.)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:MG (Magna International Inc.)

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