3 Cheap Stocks With +3% Yields to Buy Now

Description

One of the toughest tasks we face as investors is finding the right stock at the right price when we're ready to make a purchase, especially if you're looking for one that is both undervalued and has a great dividend. Fortunately for you, I've done the hard part and compiled a list of three undervalued stocks with high and safe yields of 3-6%, so let's take a quick look at each to determine which one belongs in your portfolio.

1. Inter Pipeline Ltd.

Inter Pipeline Ltd. (TSX:IPL) is one of the largest owners and operators of energy infrastructure assets in western Canada and Europe, including pipelines, bulk liquid storage facilities, and natural gas liquids extraction plants.

Its stock currently trades at just 19.7 times fiscal 2016's estimated earnings per share of $1.34 and only 18.8 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 23.

In addition, the company pays a monthly dividend of $0.13 per share, or $1.56 per share annually, which gives its stock a yield of about 5.9%. Investors must also note that its 6.1% dividend hike in November has it on pace for 2016 to mark the eighth consecutive year in which it has raised its annual dividend payment.

2. Parkland Fuel Corp.

Parkland Fuel Corp. (TSX:PKI) is one of the largest distributors and marketers of fuels and lubricants, including gasoline, diesel, propane, and heating oil.

Its stock currently trades at just 23.1 times fiscal 2016's estimated earnings per share of $0.96 and only 21.7 times fiscal 2017's estimated earnings per share of $1.02, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 28.6.

In addition, the company pays a monthly dividend of $0.0945 per share, or $1.134 per share annually, which gives its stock a yield of about 5.1%. Investors must also note that its two dividend hikes since the start of 2015, including its 5% hike in March of this year, have it on pace for 2016 to mark the fourth consecutive year in which it has raised its annual dividend payment.

3. Canadian Western Bank

Canadian Western Bank (TSX:CWB) is one of the largest banks in western Canada with approximately $24.2 billion in assets.

Its stock currently trades at just 11.1 times fiscal 2016's estimated earnings per share of $2.28 and only 9.5 times fiscal 2017's estimated earnings per share of $2.65, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 12.2.

In addition, the company pays a quarterly dividend of $0.23 per share, or $0.92 per share annually, which gives its stock a yield of about 3.65%. Investors must also note that its two dividend hikes since the start of 2015, including its 4.6% hike in December, have it on pace for 2016 to mark the 24th 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

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2. TSX:PKI (Parkland Fuel Corporation)

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