



3 Undervalued Income Stocks With Yields of 5-9%

Description

As many investors can attest, finding the right stock at the right price can be a very difficult task, and it can seem nearly impossible to find one that is undervalued, has a high dividend yield, and that pays its dividends on a monthly basis. Well, to make things easier for those of you who are reading this article, I've scoured the market and compiled a list of three great investment opportunities, so let's take a quick look at each to determine which one belongs in your portfolio.

1. CI Financial Corp.

CI Financial Corp. ([TSX:CIX](#)) is one of Canada's largest wealth management firms and investment fund companies with approximately \$145 billion in assets under management and advisement as of June 30, 2016.

Its stock currently trades at just 13.9 times fiscal 2016's estimated earnings per share of \$1.93 and only 12.5 times fiscal 2017's estimated earnings per share of \$2.14, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 18.9 and its industry average multiple of 75.3.

In addition, the company pays a monthly dividend of \$0.115 per share, or \$1.38 per share annually, giving its stock a yield of about 5.2% at today's levels. Investors must also note that the company has raised its annual dividend payment for six consecutive years, and its two hikes since the start of 2015, including its 4.8% hike in June 2015 and its 4.5% hike in May of this year, have it on pace for 2016 to mark the seventh consecutive year with an increase.

2. Corus Entertainment Inc.

Corus Entertainment Inc. ([TSX:CJR.B](#)) is one of the world's leading media and content companies. Its assets include 45 specialty television services, 15 conventional television stations, 39 radio stations, and a content-creation business, and its brands and content reach audiences in more than 160 countries.

Its stock currently trades at just 11 times fiscal 2016's estimated earnings per share of \$1.23 and only

9.5 times fiscal 2017's estimated earnings per share of \$1.42, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 13.5 and its industry average multiple of 23.4.

In addition, the company pays a monthly dividend of \$0.095 per share, or \$1.14 per share annually, giving its stock a yield of about 8.4% at today's levels. Investors must also note that the company has raised its annual dividend payment for 12 consecutive years, and its 4.6% hike in February 2015 has it on pace for 2016 to mark the 13th consecutive year with an increase.

3. TransAlta Renewables Inc.

TransAlta Renewables Inc. ([TSX:RNW](#)) is one of the largest owners and operators of renewable and gas-fired power-generation facilities in North America and Australia, and it's the largest producer of wind power in Canada.

Its stock currently trades at just 18.9 times fiscal 2016's estimated earnings per share of \$0.72 and only 16.6 times fiscal 2017's estimated earnings per share of \$0.82, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 23.9 and its industry average multiple of 44.9.

In addition, the company pays a monthly dividend of \$0.07333 per share, or \$0.88 per share annually, giving its stock a yield of about 6.5% at today's levels. Investors must also 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 9.1% hike in May 2015 and its 4.8% hike in January of this year, have it on pace for 2016 to mark the third consecutive year with an increase.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CIX (CI Financial)
2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:RNW (TransAlta Renewables)

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