



## 3 Undervalued Stocks With Yields of 5-6%

### 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 when we'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 5-6%, so let's take a quick look at each.

#### 1. Canadian Imperial Bank of Commerce

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is Canada's fifth-largest bank with approximately \$478.14 billion in assets as of its second quarter ended on April 30, 2016.

Its stock currently trades at just 10.2 times fiscal 2016's estimated earnings per share of \$9.55 and only 9.9 times fiscal 2017's estimated earnings per share of \$9.84, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 11.1.

In addition, the company pays a quarterly dividend of \$1.21 per share, or \$4.84 per share annually, which gives its stock a yield of approximately 5% at today's levels. It's also important to note that its six dividend hikes since the start of 2015 have it on pace for 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

#### 2. Ag Growth International Inc.

**Ag Growth International Inc.** ([TSX:AFN](#)) is one of the world's leading manufacturers and distributors of portable and stationary grain handling, storage, and conditioning equipment, including augers, storage bins, and aeration equipment.

Its stock currently trades at just 16.8 times fiscal 2016's estimated earnings per share of \$2.42 and only 14.5 times fiscal 2017's estimated earnings per share of \$2.81, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 36.8.

In addition, the company pays a monthly dividend of \$0.20 per share, or \$2.40 per share annually, which gives its stock a yield of approximately 5.9% at today's levels. It's also important to note that it

has maintained this annual rate since 2011, and its ample generation of funds from operations could allow it to continue to do so for many years to come.

### 3. Acadian Timber Corp.

**Acadian Timber Corp.** ([TSX:ADN](#)) is one of the leading suppliers of primary forest products in eastern Canada and the northeastern United States, and it's the second-largest timberland operator in New Brunswick and Maine with approximately 2.4 million acres of land under management. Its products include sawlogs, pulpwood, and biomass by-products.

Its stock currently trades at just 17.1 times fiscal 2016's estimated earnings per share of \$1.00 and only 15 times fiscal 2017's estimated earnings per share of \$1.14, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 18.7.

In addition, the company pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, which gives its stock a yield of approximately 5.85% at today's levels. It's also important to note that its two dividend hikes since the start of 2015 have it on pace for 2016 to mark the second consecutive year in which it has raised its annual dividend payment.

#### CATEGORY

1. Dividend Stocks
2. Investing

#### TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:ADN (Acadian Timber Corp.)
3. TSX:AFN (Ag Growth International)
4. TSX:CM (Canadian Imperial Bank of Commerce)

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jsolitro

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