



2 Stocks With Yields Over 3% and a Forward P/E Under 15

Description

Investing in stocks that are trading at low valuations compared with their recent averages and that have great dividends can help you generate market-beating returns. Let's take a closer look at two stocks that you could buy right now.

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#))

[Manulife](#) is one of the world's leading providers of financial products and services, including insurance, financial advice, and wealth and asset management solutions. As of December 31, 2017, it has \$952.56 billion in assets under management.

At today's levels, Manulife's stock trades at just 9.3 times the consensus EPS estimate of \$2.59 for fiscal 2018 and only 8.5 times the consensus EPS estimate of \$2.81 for fiscal 2019, both of which are inexpensive compared with its five-year average multiple of 15.5; these multiples are also very inexpensive given its current earnings-growth rate, including its 13.3% growth to \$2.22 per share in 2017, and its strong cash flow-generating ability.

In addition, Manulife pays a quarterly dividend of \$0.22 per share, representing \$0.88 per share annually, which gives it a yield of about 3.7% at the time of this writing. Investors must also note that the company's 7.3% dividend hike on February 7 has it on track for 2018 to mark the fifth straight year in which it has raised its annual dividend payment, making it a value, high-yield, and dividend-growth play today.

Inter Pipeline Ltd. (TSX:IPL)

Inter Pipeline is one of the largest owners and operators of energy infrastructure in Canada and Europe. Its operating assets include conventional oil, oil sands, and natural gas liquids pipelines, natural gas liquids processing facilities, and petroleum and petrochemical storage terminals.

At current levels, Inter Pipeline's stock trades at just 14.7 times the consensus EPS estimate of \$1.52 for fiscal 2018 and only 14.4 times the consensus EPS estimate of \$1.55 for fiscal 2019, both of which are inexpensive compared with its five-year average multiple of 23.1; these multiples are also very

inexpensive given the stability of its cash flow, which can be attributed to the fact that over 75% of its earnings before interest, taxes, depreciation, and amortization (EBITDA) is derived from cost-of-service or fee-based contracts.

Additionally, Inter Pipeline pays [a monthly dividend](#) of \$0.14 per share, equating to \$1.68 per share annually, which gives it a yield of about 7.5% at the time of this writing. It's also important to note that the infrastructure giant's 3.7% dividend hike in November 2017 has it on pace for 2018 to mark the 10th straight year in which it has raised its annual dividend payment, making it a value, high-yield, and dividend-growth play today, just like Manulife.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)

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