5 Ultra-Cheap Stocks to Buy Right Now

Description

There are some really great opportunities in the market right now for investors looking for undervalued stocks.

Two criteria that you can use to identify such stocks are the forward P/E and P/E-to-growth (PEG) ratios. The forward P/E ratio is a typical measure to determine if a stock is undervalued. It uses estimated earnings over the next 12 months. The lower the forward P/E, the more undervalued the stock.

The PEG ratio tells you if a stock is undervalued regarding its future earnings growth. A PEG of lower than one suggests that a stock is undervalued relative to its growth.

I present you five stocks that present a forward P/E of 10 or less and a five-year PEG of below one.

Manulife Financial Corp. (TSX:MFC)(NYSE:MFC) is Canada's biggest insurer.

Manulife has a five-year PEG of 0.83 and a forward P/E of 8.3.

The company recently announced a plan to transform its Canadian business in order to reduce costs and improve customer service. Manulife has been struggling in the last few years to compete with other banks and insurance companies, as customers want faster and more digitized services.

Manulife is planning to cut about 700 jobs in Canada in the next 18 months, as it will automate certain functions. Office spaces will be reduced and more staff with technology expertise will be hired.

National Bank of Canada (TSX:NA) is Canada's sixth largest bank.

National Bank has a five-year PEG of 0.86 and a forward P/E of 10.

To be more competitive with other banks and satisfy its customers, National Bank recently launched a series of new products and services, including a new contactless debit card, a new website, newABMs, Apple Pay and Google Pay for credit cards, and a mobile app for businesses.

I think National Bank is one of the best Canadian banks to buy now as it has strong growth potential for a low price.

Magna International Inc. (TSX:MG)(NYSE:MGA) is the world's largest contract carmaker.

Magna has a five-year PEG of 0.71 and a forward P/E of 10.

The company announced last month that it is moving into China, the world's biggest car market, and forming two joint ventures with Beijing Electric Vehicle to build electric vehicles.

Magna also signed an agreement to acquire OLSA, an Italian manufacturer of automotive lighting products, for about $354 million.

Martinrea International Inc. (TSX:MRE) is one of the world's largest automotive parts supplier.

The company has a five-year PEG of 0.48 and a forward P/E of 5.3, which is very low.

In May, Martinrea opened a US$26 million technical centre in Michigan. The 108,000-square-foot tech centre will offer more R&D and other services for fluid management systems and metal parts production to the company's auto-making customers.

Ford Motor Co., **General Motors Co.**, and **Toyota Motor Corp.** are among the biggest automakers served by Martinea.

Power Corporation of Canada (TSX:POW) is a diversified management and holding company.

Power Corporation has a five-year PEG of 0.99 and a forward P/E of 8.5.

The company is preparing to sell some assets and exit the newspaper business. Power Corporation is ready to invest more than $10 billion over the next five years to expand its empire, particularly in the United States.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. 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.)
5. TSX:MRE (Martinrea International Inc.)

6. TSX:NA (National Bank of Canada)
7. TSX:POW (Power Corporation of Canada)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date
2025/08/24
Date Created
2018/07/13
Author
sbchateauneuf