3 Cheap Growth Stocks to Buy Right Now

Description

Stocks have been gaining steam recently, and before they take off any more, there are three stocks you should consider adding to your portfolio. The stocks below trade at low multiples to earnings and book value and could be see a lot of growth this year.

Magna International (TSX:MG)(NYSE:MGA) is a stock that is a very appealing value buy. At a price-to-earnings (P/E) multiple of less than 10 and two times its book value, investors aren't paying a big price tag to own a stock that could benefit significantly from the self-driving revolution.

The company has seen steady growth over the last few years, and that could increase in the years to come. It also offers investors a lot of good diversification, as a good chunk of its sales comes from outside North America. This helps to ensure that whatever challenges the company faces with regards to tariffs or any geopolitical issues, they are contained and won't likely have an impact on all of its sales.

That combined with a lot of strong free cash flow make the company well equipped to take on any problems that may come its way.

Fairfax India Holdings (TSX:FIH.U) can help you diversify your portfolio by investing businesses in a big, developing country. There's a lot of potential in that part of the world, and investing in India could be very appealing for investors that don't want to be too exposed to the North American markets.

The challenge has been that the results for Fairfax India have not been consistent just yet, with two of its past three quarters finishing in the red. But, as with any investment, there will be fluctuations, and investors need to be cognizant of that. Over the long term, however, it presents a very great opportunity to achieve significant growth.

Currently, the stock trades at a P/E of 15 and is right around its book value as well. With low multiples, investors aren't taking a significant risk is overpaying for the stock. Over the past year, the stock has dropped 24% in price and is close to its 52-week low.

Canadian Western Bank (TSX:CWB) rounds out this list as being a good value play that could pick up steam as the Alberta economy gets going. With many branches in that part of the country, it could be a big benefactor of a stronger oil and gas industry. And while things may not be great today, with the Government of Alberta trying to use production cuts to stabilize oil prices, it could be a move that pays off in the end.

However, the stock still offers a lot of stability for investors, as the company has generated at least $64 million in earnings in each of the past five quarters, while also achieving sales growth of more than 7% in its most recent reporting period. At a P/E of only 10 and only slightly above book value, Canadian Western Bank is one stock that could have a lot of upside this year.

And with a dividend of over 3.5%, investors will be well compensated for their patience.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
4. TSX:MG (Magna International Inc.)

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