Buy Alert! These 4 Canadian Stocks Are Getting Snapped Up by Insiders

Description

The famous investor Peter Lynch once said, “Insiders might sell their shares for any number of reasons, but they buy them for only one: they think the price will rise.” This is certainly a theory that seems to hold water, and with this maxim in mind, let us turn our attention to a few higher quality stocks on the **TSX** index that have recently seen a fair amount of insider buying.

Rogers Communications (TSX:RCI.B)(NYSE:RCI)

Despite mediocre earnings growth over the past year, this remains one of the top stocks in the Canadian telecoms space. There are a few reasons why a would-be investor may want to follow the crowd and get invested, from an increased 8.2% expected annual growth in earnings to a moderate dividend yield of 2.91%, (though new investors have only a couple of weeks to think about a purchase until the stock trades ex-dividend).

Rogers Communications carries a high percentage of debt on its books, though this level is coming down and is well covered by the company’s operating cash flow. A 23.7% return on equity over the next three years is expected to carry over from a past-year ROE of 24%, which is good news for investors who like to buy according to performance-based indicators.

Barrick Gold (TSX:ABX)(NYSE:GOLD)

This top-tier precious metals miner often tops the lists of must-have gold stocks. It’s been popular with insiders of late, with a high volume of shares getting scooped up. Currently selling at its fair value with a P/B of 1.4 times book, Barrick Gold has a healthy balance sheet and feels like it’s simply passing through the fair price zone on its way to overvaluation. In other words, this could be a lucrative capital gains play.

Saputo (TSX:SAP)

With yearly returns of just 7%, this wish-list dairy stock still managed to beat the industry. With a 19% discount off its fair value, Saputo still has a ways to go until it's priced where it should be, meaning that the opportunity to cream some capital gains is moderately high.

A touch overpriced with a P/E of 23.4 times earnings and P/B of 3.3 times book, the main reasons to get invested in Saputo would be its notable market share, dividend yield of 1.44%, and positive 13.5% projected growth in earnings over the next one to three years.

Husky Energy (TSX:HSE)

A favourite of the "unloved" oil and gas crowd, this solid energy ticker boasts a positive track record in terms of earnings growth, with more than a 60% leap in earnings over the last 12 months. Though a slightly negative expected growth in earnings is in the cards, its combination of tasty dividends (see a yield of 3.71%) and undervaluation (it's selling below book with a P/E of 9 times earnings) make for a compelling play in the energy space.

The bottom line

Roger Communications is somewhat overpriced, with a P/B of 4.3 times book; however, it remains arguably the best telecoms stock on the TSX index. Meanwhile, Barrick Gold's dividend yield of 1.31% and significantly high 24.6% expected annual growth in earnings make for a solid gold play in the precious metals space.

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vhetherington