



Intact, Manitoba Tel Amongst the Non-Resource Companies Trading Near 52-Week Lows

Description

Though a number of the headlines over the past few months might have you thinking otherwise, outside of the Canadian market's resource space, a good number of stocks on the TSX are doing pretty well of late.

So well in fact that just 4 names showed up when I screened for non-resource stocks trading within 5% of their 52-week low in the S&P/TSX Composite. Slim pickings for those of who tend to favour out-of-favour names as potential investment opportunities.

Summarized below are the 4 names that popped up and their year-to-date performance:

Company Name	YTD Performance
Chorus Aviation (TSX:CHR.B)	-37.9%
Wajax Corp. (TSX:WJX)	-20.5%
Intact Financial (TSX:IFC)	-9.4%
Manitoba Tel (TSX:MBT)	-1.6%

Source: Capital IQ

The one thing that these names all have in common is that they currently offer attractive dividend yields.

Leading the yield charge is Chorus, even though the company just halved its quarterly payout. At a quarterly rate of \$0.075 or \$0.30 per year, Chorus currently yields a whopping 12.6%. The stock has been in a free fall since the dividend cut occurred on May 10th. However, if investors are able to gain some level of comfort that the current payout is sustainable, this stock won't remain at the current level for long. Given today's 11% slide, investors appear to be having some trouble coming to this conclusion.

Wajax shares have been soft all year and the most recent round of quarterly results didn't help matters. On the back of these soft results, Wajax cut its monthly dividend by 26% to \$0.20 per month. The stock sported a yield north of 9% going into last week's release, indicating the market suspected this cut would occur. Now, with a seemingly more sustainable 7.4% yield, Wajax might be worth a look for income oriented investors.

What about the other two?

Intact and Manitoba Tel have taken a less dramatic route to their currently depressed stock prices. Both carry attractive yields of 3.0% and 5.3% respectively, however, with payout ratios of 40.5% for Intact and 64.3% for Manitoba Tel, neither dividend is at risk.

Of the two, Intact would be this Fool's bet to come out as the long-term winner. The company experienced an earnings miss in the most recent quarter and has suffered from rumblings of uncertainty in the Ontario automobile insurance industry. Both issues seem transient and this dominant market player is set to continue to rack up industry leading profits for years to come.

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Fool contributor Iain Butler does not own shares of any of the companies mentioned at this time. The Motley Fool has no positions in the stocks mentioned above.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CHR (Chorus Aviation Inc.)
2. TSX:IFC (Intact Financial Corporation)
3. TSX:WJX (Wajax Corporation)

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Date

2025/07/19

Date Created

2013/05/14
Author
tmfohcanada

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