Attention Investors: 5 Remarkably Cheap Dividend Stocks

Description

One thousand-fifteen days and counting…

That's how long it has been since the **S&P 500** suffered an official correction (a 10% drop). According to the financial research firm Bespoke Investment Group, this marks the fifth-longest streak without a correction since 1928.

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Canadian equities are looking rich, too. The **S&P/TSX Composite Index** is up 22% over the past year. On several metrics equity valuations are approaching levels we haven't seen in decades.

Needless to say, it's getting harder to find cheap stocks. However, for those investors willing to do a little extra digging, there is still some hidden value even in this market. Here are five dividend stocks other investors have overlooked.

1. Teck Resources Ltd

Teck Resources Ltd (TSX: TCK.B)(NYSE: TCK) has been hammered by falling coal prices. However, most of today's global coal production is unprofitable and the current situation cannot be sustained. Prices have to rise to meet the cost of production or the lights will go out. As investors wait for this thesis to play out, they are being paid a tidy 3.6% yield. Teck's other businesses, such as energy and base metals, provide other upside catalysts.

2. Hudson's Bay Co

Thanks to the regular ebbs and flows of the retail sector, margins at **Hudson's Bay Co** (TSX: HBC) are under pressure. However, given that it has been around since before Canadian Confederation, this company will likely be cranking profits and dividends long after investors forget about the firm's current woes. Hidden on its balance sheet are the company's valuable commercial real estate holdings.
If management were to spin off these properties, it would unlock an enormous amount of value for shareholders.

3. Bombardier Inc

The delay of **Bombardier Inc's** (TSX: BBD.B) CSeries aircraft continues to weigh over this stock. However, in spite of the delays, Bombardier continues to rack up new orders. Given that the company is trading at its lowest valuation on many financial metrics in years, investors have priced in the worst at the aerospace manufacturer. Any good news could send shares soaring.

4. Rogers Communications Inc.

Rogers Communications Inc. (TSX: RCI.B)(NYSE: RCI) has been out of favour with investors thanks to slower wireless growth. However, the company's new Chief Executive Guy Laurence has a plan to reignite growth at the telecom giant by trimming executive ranks and improving the firm's notoriously bad customer service. While investors wait for this turnaround to play out, they're being paid a handsome 4.3% yield.

5. Cameco Corporation

Just like coal, today's uranium prices are well below its cost of production. By some estimates, spot uranium rates would have to triple for the industry to return its cost of capital. The laws of economics dictate that a commodity's price must eventually rise to meet its cost of production. With the most size and scale of its peers, **Cameco Corporation** (TSX: CCO)(NYSE: CCJ) is the best company to own while the industry works through its current doldrums. In the meantime, investors can earn a nice 1.8% dividend yield.

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CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSX:CCO (Cameco Corporation)
3. TSX:RCI.B (Rogers Communications Inc.)
4. TSX:TECK.B (Teck Resources Limited)

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