



## 3 Valuable and Cheap Dividend Stocks for Your Watch List

### Description

Recently, the market sentiment has been more negative than positive. Investors can better protect their portfolios by buying dividend stocks that continue to be profitable, but have pulled back along with the falling market and are priced at attractive valuations.

#### Apple Inc.

At under US\$94, **Apple Inc.** ([NASDAQ:AAPL](#)) trades just around 10.2 times its fiscal year 2015 earnings that ended in September. It yields 2.2%, which is not bad for a company that has increased its dividend by 11.1% on average in the last three years.

With a payout ratio of under 23% and its earnings per share (EPS) anticipated to grow at a rate of roughly 11% in the foreseeable future, Apple's dividend has lots of room to grow.

Most notably, as of last quarter Apple accumulated US\$215.7 billion in cash and equivalents compared to only US\$63 billion of debt. On top of that, Apple's last reported operating margin was above 30%. In other words, Apple remains very profitable, but its share price has fallen 17% last year.

#### Canadian Western Bank

Many investors just want to stay away from anything related to energy or Alberta. However, **Canadian Western Bank** ([TSX:CWB](#)), which has 47% of Albertan loans, looks really compelling for the long term at these levels.

Canadian Western Bank has fallen over 46% from its 2014 high. Yet the bank's EPS only fell 5% in the fiscal year 2015 that ended in October. The regional bank now trades at 8.2 times its fiscal year 2015 earnings compared with trading at 15 times earnings when it was at its 2014 high.

At under \$22, the regional bank yields 4.3% with a conservative payout ratio of less than 35%. Canadian Western Bank has shown its commitment to paying a securely growing dividend to shareholders because it has grown its dividend for 24 consecutive years.

## Dream Industrial REIT

**Dream Industrial Real Estate Invest Trst** ([TSX:DIR.UN](#)) is a real estate investment trust that earns 32% of its net operating income from Alberta, but its occupancy rate has remained strong so far.

As of September 30, 2015 its portfolio occupancy was 94.6%. A strong occupancy coupled with an adjusted-funds-from-operations (AFFO) payout ratio of 85% makes its 10% dividend yield very safe.

Most notably, at under \$7 per unit Dream Industrial trades at an attractive valuation of 8.8 times its AFFO.

## Conclusion

If you want to earn outsized gains and income from your investments, you've got to buy your assets at cheap prices. Apple, Canadian Western Bank, and Dream Industrial REIT are all priced at cheap valuations and it's worth it to place them on your watch list.

## CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Tech Stocks

## TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. TSX:CWB (Canadian Western Bank)
3. TSX:DIR.UN (Dream Industrial REIT)

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