

2 Stocks With Big Dividends and Huge Upside Potential

Description

Contrarian investors are always looking for unloved stocks that could turn into big winners. Once in a while, these names also offer juicy dividend yields that pay you handsomely to wait for a rebound.

Here are the reasons why I think **Potash Corporation of Saskatchewan Inc.** (TSX:POT)(NYSE:POT) and **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) deserve to be on your radar.

Potash Corp.

The fertilizer market has been hit by a perfect storm.

Potash prices are getting hammered as global giants battle for market share just as key buyers are being hit by drought conditions, low crop prices, and volatile currencies.

The result?

Potash Corp. is down nearly 50% in the past 12 months.

The company is taking the necessary steps to ride out the rout. Production has been trimmed and higher-cost facilities have been shut down. Potash Corp. also slashed its dividend at the start of this year.

The short-term outlook remains rather bleak, but the long-term fundamentals for the fertilizer sector are compelling, and Potash Corp. is positioned well to prosper when the cycle turns.

The sell-off in the stock is at a point where downside risks should be limited, and investors who buy now can pick up a 6% yield.

Shaw

Shaw is working through a major transition, and investors have decided to take a wait-and-see approach with the stock.

The company recently pulled a 180 when it decided to buy Wind Mobile. Previously, Shaw's management had avoided being sucked into the mobile market, but Canadians like getting their TV, Internet, and mobile services in packages from one supplier, and the lack of a mobile offering was hurting the company.

In order to pay for the Wind Mobile acquisition and build out the mobile network, Shaw just sold all off its media assets to **Corus**.

That's a lot of change in a short period of time, and the stock has taken a hit as a result. At the moment, Shaw trades at a huge discount to its peers.

Entering the mobile space and exiting media should prove to be a solid move once all of the dust settles, and I think the market will eventually push the multiple higher. In the meantime, investors get can pick up a safe 4.9% yield and wait for better days.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:SJR.B (Shaw Communications)

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