TFSA Investors: 4 Dividend Stocks That Are on Sale

Description

For TFSA investors, dividend stocks are particularly valuable, because any capital appreciation or eligible dividend that is earned inside a TFSA account is tax free. When dividend stocks have dropped in price, the yield goes up and gives investors an opportunity to lock in a higher payout.

For that reason, I have listed four dividend stocks below that have declined in the past six months, and that could be great additions to your portfolio today.

A and W Revenue Royalties Income Fund (TSX:AW.UN) has dropped 5% of its value in the past six months, and the dividend yield has risen to 4.8%. The company recently hiked its dividend, and we could see more of that to come, as the company continues to grow its sales and profitability.

A&W saw net income rise 40% in the past quarter, and as more restaurants get added to the fund, the company's bottom line will only continue to grow.

Corus Entertainment Inc. (TSX:CJR.B) had a strong Q4, but a lack of sales growth left investors uninspired and sent the struggling stock down on a further decline. The share price has dropped by 14% in the past six months, and the high-yielding stock is now paying investors an annual dividend of 9.7%, paid out in monthly installments.

Investors might be concerned that the high payout is not sustainable, but the company's strong cash flows have ensured that payouts are manageable. Corus has a lot of potential growth, as it has not ventured much into online-only content, and when it does, that could lead to a significant rise in sales and profits.

Enbridge Inc. (TSX:ENB)(NYSE:ENB) could be a gem to buy right now, as the stock has recently started to rise and could be on the way out of its funk. The share price has lost 8% of its value in the last six months, but in the past month it has risen more than 3%.

With oil prices on the rise, and OPEC agreeing to further supply cuts, we could see oil and gas stocks like Enbridge continue to climb as the industry recovers. Enbridge has also recently hiked its dividend by 10%, and combined with the drop in price, the dividend yield has now reached 5.5%.

The company has averaged an impressive $1.5 billion in operating income over the past three quarters, while oil prices have been low and with the industry still in recovery mode. This is a stock that could have significant potential as we see more of a recovery in the oil and gas industry.

Canadian REIT (TSX:REF.UN) currently pays investors a monthly dividend that yields 4.1% annually after the stock has declined more than 6% in the past half year.

The real estate stock has provided investors with a great deal of stability with an operating income north of $52 million in each of the past four quarters, while revenues have consistently been above $110 million as well.

Although Canadian REIT might not be the most exciting stock, it can provide your portfolio with some stability and provide a strong dividend over the years to come. As the economy continues to grow, Canadian REIT will also see its revenues rise as a result.

CATEGORY

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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:CJR.B (Corus Entertainment Inc.)
4. TSX:ENB (Enbridge Inc.)

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