

TFSA Investors: 3 Undervalued Dividend Stocks That Are Trading Near Their 52-Week Lows

Description

Stocks that are trading near their 52-week lows could present investors with a great opportunity to buy low, and with a dividend stock, you can also lock in a higher yield. The risk is that the stock could continue to go lower, but the three stocks below are good value buys that could have a lot of upside and are able to provide investors with strong returns this year.

RioCan Real Estate Investment Trust (TSX:REI.UN) has been down more than 6% in the past year, pushing its dividend yield up to a little less than 6%. With monthly payouts, RioCan offers you a good source of consistent cash flow, while also giving you an opportunity to take advantage of a low price that currently sees the stock trading only slightly higher than its 52-week low.

One reason why RioCan is a good buy at its current price is that over the past year it has typically seen strong support at \$24, and investors that can get the stock around this price will be in a good position to maximize their returns.

The company has also provided investors with a great deal of stability, as revenues have been north of \$280 million in each of the past five quarters, while generating a profit margin of more than 60%. RioCan is also taking an innovative approach that will change the way shopping centres look and make them less dependent on retailers to fill voids, which will help to minimize risk.

TransCanada Corporation (TSX:TRP)(NYSE:TRP) has seen a big sell-off recently, as the share price has dropped more than 7% in just the past month, and since August it is down more than 12%. Despite progress being made with the Keystone XL and securing a great deal of demand for the pipeline, investors have been very hesitant to invest in TransCanada.

The stock is coming off a new 52-week low, and with the Relative Strength Index dropping to below 30, which indicates a stock has been oversold, signs point to this recent sell-off being an overreaction. Investors are still likely bearish about oil and gas stocks, as many have failed to gain much momentum, if any, despite the recent surge we've seen in the price of oil.

The drop in share price has pushed TransCanada's dividend up to 4.4%, and it's a great opportunity for investors to secure a strong, stable payout.

Shaw Communications Inc. (TSX:SJR.B)(NYSE:SJR) has dropped 7% in the past month after a disappointing quarter for the telecom company sent investors into selling mode. It also didn't help that Corus Entertainment Inc. (TSX:CJR.B), which Shaw has a big interest in, had an even bigger sell-off after advertising revenues were soft and concerns about cord cutting were renewed.

The drop in share price hasn't yet resulted in a new 52-week low, but the stock is only barely above that level to start February. As a result of the decline in price, the dividend has risen to 4.4%. There is also a lot of potential upside for the stock as during the past year the share price has generally seen strong support at ~\$27.

CATEGORY

- 1. Dividend Stocks
- 2. Investing

TICKERS GLOBAL

- INTSE:TRP (Tc Energy)

 3. TSX:CJR.B (Corus Entertainment Inc.)

 4. TSX:REI.UN (RioCan Real Estate Inc.)

 5. TSX:SJR.B (Shaw Co.)
- 6. TSX:TRP (TC Energy Corporation)

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