3 Dividend Stocks I'd Buy Right Now

Description

The market took another plunge on Thursday as both the TSX and NYSE were both deep in the red. The Dow Jones was down more than 1,000 points again, while the TSX's 265-point decline meant that the rally the market had been on since September was all but wiped out. Another bad finish, and the TSX could be at a new 52-week low.

While this will obviously raise concerns for some investors about where the market might be going, it creates a great opportunity for those that are looking to secure some good buys and high yields. There are three stocks that look really appealing right now that I would be looking to buy.

First National Financial Corp. (TSX:FN) is down 5% in the last month, and with a price-to-earnings (P/E) ratio of just seven, it is a great value buy that is also yielding over 6.7%. With monthly payouts, this is a great dividend stock to add monthly cash flow to your portfolio. Last year, the company even paid its investors a special dividend on top of an already great yield.

If that weren't enough, the company has also increased its dividend over the years, with monthly payments of $0.1083 in 2013 rising to $0.1542 this year for a compounded annual growth rate (CAGR) of 7.3%. If First National kept that rate of increase consistent over the years, then investors would see their dividend payments double within a decade.

As interest rates rise, and lenders bank more revenue to their top lines, a stock like First National could be a great pickup at a low price.

Algonquin Power & Utilities Corp. (TSX:AQN)(NYSE:AQN) is another dividend stock that has plummeted recently with its share price declining more than 5% in the past month. While the stock trades at a higher multiple than First National with a P/E ratio of 26, it provides a lot of opportunities for future growth.

Its payout has nearly doubled in just four years, and with a yield of 4.6%, Algonquin is another great long-term holding to add to your portfolio. In five years, the share price has risen 74%.

Inter Pipeline Ltd. (TSX:IPL) has done something you wouldn't expect many oil and gas stocks to do during the downturn: it raised its payout. In five years, the dividend has grown by more than 51% for a CAGR of 8.6%. While many companies in the industry were cutting costs and reducing staff, Inter Pipeline increased its distributions.

However, it hasn't all been good news, as the stock has dropped more than 14% in the past month, which has sent its yield up to more than 7.5%. With oil prices on the rise, and OPEC agreeing to extend supply cuts through to the end of this year, there's reason to believe the stock could have a lot of upside.

Strong earnings later this month could also give the stock a big boost. In the past five quarters, Inter Pipeline has been able to stay in the black, and revenues were up 26% in Q3. A higher price of oil and an industry that is well on its way to recovery could be a recipe for some strong performances ahead and a big improvement in the share price.

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Date
2025/08/16
Date Created
2018/02/09
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