TFSA Investors: These 3 Dividend Stocks Are Trading Near 52-Week Lows

Description

While the decline in the market may have investors worried, there are benefits that come as a result of a big sell-off. For one, share prices become better valued, and it could be an opportunity to buy a stock at a discount or perhaps add more holdings and bring your average cost down and increase the potential upside you see when the markets recover.

Another benefit is that you'll be getting more of a yield from dividend stocks, since you are still likely to secure the same dividend payment, but now you have to make a smaller investment to do so.

It's the second benefit that I'm going to focus on here and, in particular, three stocks that have declined in the past year, and that are trading near their 52-week lows.

Power Corporation of Canada (TSX:POW) has declined more than 8% since the start of the year and the share price is only a few dollars up from its 52-week low. The company has interests in many different sectors that spread across the world, giving it a lot of stability and diversification.

Although Power Corporation has seen some fluctuations in its financials over the past several quarters, the company has been able to consistently stay in the black, and revenues in each of the last four quarters have been over $11 billion.

The stock trades at less than 11 times its earnings and is below its book value, making it an attractive buy for value investors today. Currently, Power Corporation offers investors an attractive 4.8% yield.

Brookfield Renewable Partners LP (TSX:BEP.UN)(NYSE:BEP) invests in renewable energy with a portfolio that includes facilities from all over the world. As the trend toward greener energy continues to grow, so does Brookfield's potential to rise in value. It's an uphill battle since, in many cases, being green involves more costs, but more consumers are making the switch, and as efficiencies are gained in the industry, price will become less of an issue.

Brookfield's share price has declined more than 4% in the past year, and the stock is trading within a dollar of its 52-week low. This drop in price has pushed its yield up to over 6%, making the stock agood value buy and also an ethical one.

TransAlta Renewables Inc. (TSX:RNW) is another renewable energy stock that could have lots of upside in the years to come as the industry continues to grow. However, the company is not as diversified as Brookfield and instead focuses on the Canadian market.

Its share price has plummeted more than 25% in the past year, as a bad quarter last year undid a lot of the progress the company had been making, and its per-share earnings in the past 12 months is now barely above break even.

The stock is trading at 1.3 times its book value, and if it can string together some good quarters together to put 2017's disappointing results behind it, then there should be plenty of upside for the stock, as it could be a great value buy today. The share price is also trading within a dollar of its 52-week low, and, as a result, its dividend yield has risen to over 8% and remains safe.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:POW (Power Corporation of Canada)
4. TSX:RNW (TransAlta Renewables)

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