



### 3 Dividend Stocks on Sale Yielding up to 8.2%

#### Description

Deciding which dividend stock to buy and when can be a bit challenging. While high-yielding dividend stocks can be appealing, they can be very risky, since there is a chance that a company might reduce its payouts to bring payments down to more manageable levels, especially once you're in the double digits.

However, one way around that is by looking at dividend stocks that have dipped in price, since the dividend yield and what you will be earning on your investment are inversely related with the share price. The lower the price goes, the higher the yield becomes, and as long as you lock in at that low price, even if the stock recovers, you still have the higher payout, assuming, of course, the company doesn't make any reduction afterward.

Buying on the dip when it comes to dividend stocks is powerful, since not only do you give yourself a better chance to benefit from capital appreciation if the stock rebounds, but the higher yield can get you more bang for your buck.

Below are three stocks that have declined in price recently and that have inflated dividend yields as a result.

**Magna International** ([TSX:MG](#))([NYSE:MGA](#)) stock fell after investors were a bit spooked about the company's outlook given the threat of tariffs and the impact it would have on Magna's financials. Even though the company put in a good quarter recently, there is concern that in future quarters sales and profits could suffer.

However, over the long term I wouldn't be too concerned about that given that if we see a change in power in the U.S. at the next election, we'd likely see more trade-friendly policies put in place, and tariffs and trade wars will simply be a thing of the past. In the short term it is clearly concerning, but Magna is a [great stock](#) that I expect will overcome these obstacles and prove to be a solid long-term investment.

The stock has declined by 13% in the past three months, and its dividend yield is now up to over 2.1%.

**Pizza Pizza Royalty** ([TSX:PZA](#)) has dropped by more than 20%, and it took a big hit over its recent earnings result. Despite seeing a drop in sales, I don't see any alarming reason why investors should be pushing the panic button. Pizza Pizza is still a strong brand, and it could just have had an off quarter, as generally the stock's sales have been fairly consistent.

Its already [high dividend](#) has increased to 8.4% as a result of the decline.

**WestJet Airlines** (TSX:WJA) has seen no shortage of problems this year, and its year-to-date decline of over 30% shouldn't come as a big surprise. That being said, it still is one of the top airlines in the country in an industry where competition is limited. And with the introduction of Swoop, its new discount airline, WestJet will have plenty of opportunity to rebound.

In the meantime, however, investors can pick up the stock while it's yielding over 3.2%.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

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2. TSX:MG (Magna International Inc.)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

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