



3 Dividend Stocks That Could Be Bargains in the Fall

Description

The S&P/TSX Composite Index rose 88 points on August 27. There was considerable optimism across North American markets after the United States and Mexico reached a separate trade deal. It appears that Canada is now poised to re-enter talks with its partners, but there is still some uncertainty surrounding key disagreements. Canada now finds itself in a tight spot and could be subject to some tough bargaining from the Trump administration.

One way investors can respond to this uncertainty is by moving into income-yielding equities. Today, we are going to look at three options that have plunged in value over the course of the summer. Are any of these stocks worth picking up today? Let's take a look.

Maxar Technologies ([TSX:MAXR](#))([NYSE:MAXR](#))

Maxar Technologies stock dropped 2.67% on August 27. Shares have plunged 46.9% in 2018 so far. I'd discussed Maxar's trajectory in a [recent article](#) and recommended it as a potentially cheap option for investors on the hunt for income. Shares briefly rebounded in mid-August before dropping steadily as we approach the end of the month.

Maxar is another in a long line of companies that have fallen victim to short-seller campaigns. Spruce Point Capital Management issued a press release earlier this month that warned the company's dividend was at risk. Maxar immediately issued a rebuke that accused Spruce Point of attempting to profit off of the aforementioned report. In the second quarter Maxar declared a quarterly dividend of \$0.37 per share, representing a 3.4% dividend yield.

Corus Entertainment ([TSX:CJR.B](#))

Corus stock has plunged a stunning 65.9% in 2018 so far. In early July, I'd asked whether there was [any reason](#) to pick up Corus as its stock continues to struggle. First, a clarification; effective September 1, 2018 Corus's annual dividend rate will be adjusted to \$0.24 per Class B share and will provide this through a quarterly dividend of \$0.06 per share. The new payment schedule will begin in December 2018.

This was announced during Corus's third-quarter results release. The company saw revenues drop in its television and radio segments, while overall segment profit also dropped to \$170 million from \$175 million in the prior year. Corus may indeed be an acquisition target as its stock plummets, but investors should be aware of the risks for a company facing serious challenges as we look ahead to the next fiscal year.

Canadian Tire ([TSX:CTC.A](#))

Canadian Tire stock is down 6.3% over the last month as of close on August 27. Shares are now mostly flat in 2018. The company released its second-quarter results on August 9.

Consolidated comparable sales were up 1.6% year over year in the second quarter without petroleum sales, which powered earnings yet again as gas prices remain high. The company declared a dividend of \$0.90 per share, representing a 2% dividend yield. Canadian Tire retail sales were still up 2.3% year over year with FGL and Mark's also posting 1.9% and 1.6% growth, respectively.

Canadian Tire had a weaker-than-expected quarter, but the closure of its Helly Hansen acquisition on July 3 should bolster earnings the rest of the way in 2018. Sales of automotive parts and building supplies stores have also improved broadly according to Statistics Canada, which should help the retail giant going forward.

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1. Dividend Stocks
2. Investing

POST TAG

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TICKERS GLOBAL

1. NYSE:MAXR (Maxar Technologies)
2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)

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