3 Dividend Stocks on Sale Yielding up to 4.8%

Description

Normally, a decline in share price is a bad thing, but if the company's business model remains strong and still shows a lot of upside, it may just be a dip that the stock could very well recover from. When you're talking about a dividend stock, the dividend yield actually goes up when the share price drops, and it gives you an opportunity to lock in a higher return. Sometimes a dip in price doesn't last long, so investors may want to scoop up a deal while it's there.

Below are three stocks that are trading near their 52-week lows and are yielding as high as 4.8% per year.

Saputo (TSX:SAP) is only about a dollar up from its low for the year, as it has declined more than 11% so far in 2018. Admittedly, Saputo isn't going to be attracting a lot of attention because it isn't a high-growth stock anymore. In its most recent fiscal year, sales were up only 3%, although the company was able to increase its bottom line by 17%.

A weak stock price means that investors that buy Saputo today can earn a yield of 1.6%. It's not a big return by any means, but it's an easy way for investors to generate cash from a very stable company that has a great long-term future, and the company did recently increase its payouts.

Cheese isn't going out of style anytime soon, and with returns of over 70% in the past five years, it's a great stock to hold on to, possibly for decades.

Hydro One (TSX:H) has been used as a political tool by the new Ontario government; that's scared away some investors. The struggling stock has now declined 17% so far this year, and it too is not far away from its 52-week low. The company has averaged a profit margin over 11% in the past five years and should be a great investment, especially with Hydro One looking to build a presence in the U.S., which could accelerate its growth.

While there's certainly a risk with the Conservative government trying to meddle in the company's operations, ultimately, it is in the province's best interests for Hydro One to be successful, and that's why investors shouldn't be overly concerned. Currently, the stock pays investors a dividend of 4.8%; in its short history it has already increased its payouts multiple times.

Cogeco Communications (TSX:CCA) is yet another dividend stock to add to your portfolio while also diversifying by taking a position in yet another industry. Telecom stocks have struggled this year, and Cogeco is no exception with its share price dropping more than 20% since the start of the year. It's a hefty decline, which has brought the stock down near two-year lows.

The stock trades at less than 10 times its earnings and at a price-to-book ratio of less than two, making it a great value buy for investors that are willing to take on a little risk. Despite the threat of cord cutting, Cogeco has been able to post a solid profit in each of the past five quarters and continues to be agood, stable buy.

Currently, the stock pays investors a modest 2.8% yield, which has recently been hiked and risen as a result of the drop in share price.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CCA (COGECO CABLE INC)
2. TSX:H (Hydro One Limited)
3. TSX:SAP (Saputo Inc.)

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