2 Dividend Stocks Near Their 52-Week Lows That Are Yielding up to 4.7%

Description

Investing is a long game, and whether you're looking for value or dividends, it'll often take time for you to see your portfolio grow. However, if you look for stocks that are good value buys and pay dividends, it could be a great way to maximize your potential returns. Not only can you take advantage of an undervalued stock that could have a lot of room to grow, but a stock that has declined in value also has a higher payout than when it is trading at a high.

The two stocks below are trading near their 52-week lows, pay dividends, and could offer investors the best of both worlds.

Computer Modelling Group (TSX:CMG) is a bit of a unique stock in that it's a tech stock that has a solid base of oil and gas customers. It allows investors to have their toes dipped in both pools: technology and oil and gas. Unfortunately, Computer Modelling has declined 5% in the past year, even though oil prices have been rising and showing some stability.

The stock, now trading around $8.30, went over a bit of a cliff when it released its first-quarter results last month. Prior to that, the share price was over $10. Although the results for the quarter were profitable, both top and bottom lines were down from a year ago; the company blamed timing and accounting-related changes on much of the variance.

As a result, the stock has recently hit a low and is trading near to its 52-week low. However, it is a bit expensive at a price-to-book ratio of 13 and a price-to-earnings multiple of more than 30.

From a value perspective, it's hard to get excited about the stock, although it does pay a dividend of 4.7%. And while Computer Modelling has generated positive free cash flow over the past four quarters, its dividend payments have come in higher, so whether the payouts are safe is questionable.

The stock definitely has some upside if the industry continues to remain strong, and while there are questions around its dividend and current valuation, those could be non-issues if the company is able to rebound next quarter.

Suncor Energy (TSX:SU)(NYSE:SU) is one of the top stocks you can invest in on the TSX, and with it trading at less than twice its book value and around 19 times earnings, it's a good price for an investment that can offer your portfolio a lot of stability. Over the past five years, the stock has risen by around 40%, and with a dividend north of 2.7%, investors have many ways to earn a decent return.

While conditions in oil and gas have been a bit concerning lately, especially with the Trans Mountain pipeline putting many people in the industry on edge, Suncor has proven to be a strong buy even during a downturn, with only one of its past five years finishing in the red.

This is one of the safest stocks you can own in the industry, and if things continue to improve, the returns could be significant for investors that decide to hold on.

CATEGORY

1. Dividend Stocks
2. Investing

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Date
2025/08/17
Date Created
2018/09/15
Author
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