3 Dividend Stocks on Sale Yielding Up to 7.5%

Description

One positive consequence from the market's recent decline is that many dividend stocks have seen their payout ratios rise because they've dropped in value. Investors can lock in higher-than-normal yields, at least temporarily, as a bounce back in price will result in a reversal.

Below are three stocks that have declined by 10% over the past month and that are yielding more than 5%.

Dorel Industries Inc (TSX:DII.B) has had a dreadful year so far in 2018, with its share price losing a third of its value thus far. The recent decline has only made matters worse and has sent the stock to a new 52-week low.

As a result, Dorel's dividend yield is now up to 7.5%. It's a high payout for a stock that has operations all over the world and many opportunities to grow.

With the stock now at half its book value, investors could be getting a great deal as not only can you earn a great dividend, but there's a lot of potential to benefit from capital appreciation as well, as it may only be a matter of time before the stock turns things around.

Gamehost Inc (TSX:GH) was doing this year up until the last three months where its share price has plummeted by more than 16%, putting it into the negative for the year.

However, there's a lot to like about the gaming stock, as it has been able to turn a profit with a lot of consistency, despite being dependent on a lacklustre Alberta economy. Once things finally get going in that province, we could see stronger financials and a lot more bullishness around the stock.

While sales have been decreasing since 2014 when oil prices were high and the industry was strong in the province, the company, to its credit, has still been able to maintain a strong profit margin of over 26%.

In addition, Gamehost currently pays a dividend on a monthly basis, which now yields investors more than 6.8% per year.

Crescent Point Energy (TSX:CPG)(NYSE:CPG) has lost nearly 30% of its value over the past three months, as investors didn't need much of a reason to be bearish on an oil and gas stock.

Crescent Point has been hit hard since the downturn in the industry began, losing more than 80% of its value over the past five years.

If there's a silver lining for investors, it's that the company was finally able to turn a profit this past quarter, squeezing out a 3% profit margin. Its sales also showed strong growth, rising by 40%.

Once this bearish activity subsides, the stock could potentially finally start to build on these results. In the meantime, it might be a good idea for investors to scoop up the stock before that happens.

Currently, Crescent Point is paying investors a dividend yield of 5.7%. However, I wouldn't expect it to stay that high for long, as the stock should have seen a lot more bullishness around its recent results.

While it did get a boost, the overall trajectory has remained poor, and once the markets start to calm, it could pave the way for a recovery for Crescent Point's stock.

CATEGORY

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TICKERS GLOBAL

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2. TSX:DII.B (Dorel Industries Inc.)
3. TSX:GH (Gamehost)
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