3 Dividend Stocks I'd Buy Right Now

Description

There are a lot of great deals on the TSX lately. While it might be a little unnerving to buy at a time when the markets are struggling, if you focus on value buys that have good multiples, you're not going to expose yourself to as much risk as if you were making speculative bets.

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Below are three stocks that have a lot of value and that shouldn't keep you up at night.

Royal Bank (TSX:RY)(NYSE:RY) is normally one of the top two bank stocks on the TSX, and it's hard to go wrong with it in your portfolio, even if it wasn't as good a deal as it is today.

With the stock trading at only 1.8 times its book value and at a multiple of only 11 times its earnings, it's a very good value buy for investors. RBC is one of the safest stocks that you can own on the TSX.

While it may be down 9% since the start of the year, if you'd held on to the stock for the past decade, your returns would have totaled 170% — and that's before factoring in its dividend.

Currently, RBC pays its shareholders 4% per year, which is just gravy for a stock that has proven you can rely on it for long-term capital appreciation.

Suncor Energy (TSX:SU)(NYSE:SU) is a good bet to make on the energy industry without taking on a lot of risk.

While some investors might scoff at the idea of investing in Suncor, assuming that it would be too risky given the state of the oil and gas industry, consider that the stock hit a 10-year high earlier this year, closing at over $55 a share.

It's a testament to the company's strength that earlier in the decade when oil prices were stronger, it wasn't trading higher. Instead, with the company's focus on efficiency and its ability to produce strong and consistent financials, it has generated a lot of bullishness around the stock.

Unfortunately, over the past three months, the stock has slid more than 20%. However, that could make it a good buy as it sits at a price-to-book multiple of just 1.4, especially if you're hopeful that the industry will pick up.

Its dividend pays 3.7% and could be a great consolation prize while you wait for the stock to recover.

Magna International (TSX:MG)(NYSE:MGA) is another stock that should be a lot higher than where it is today. Down 16% since the start of the year, the stock is currently paying a dividend of 2.8%.

And while that may be a good dividend yield, this is a stock that offers a lot more in growth potential. The progress it has made in self-driving technologies makes it a very appealing long-term buy. It may be a long time before we see driverless vehicles common on the roads, but Magna is one stock that will benefit from it when it inevitably happens.

Given its potential, the stock is an absolute bargain today, trading at just nine times its earnings and only 1.9 times book value. It's a great time to buy as this automotive stock could be due for a big rally.

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Date
2025/08/23
Date Created
2018/12/19
Author
djagielski

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