TFSA Investors: 3 Dividend Stocks on Sale Yielding Over 7%

Description

If you're looking for dividend stocks to put into your TFSA, now might be a great time to start adding to your portfolio. The recent downturn in the markets has led to significant declines, and that means yields are up. Below are three dividend stocks that have declined significantly this year that you should consider picking up today.

Laurentian Bank (TSX:LB) has been struggling, like many bank stocks lately. Year to date, its share price has fallen by more than 30%, and in just the last three months it has dropped 15%. It's one of the higher-yielding bank stocks you can find on the TSX, and with its latest decline it is paying just over 7%, as it also recently hiked its payout.

While it may not be the most popular bank stock on the TSX, that's also what gives it a lot of appeal, since it's more likely to fly under the radar than other, bigger banks on the market. After all, Laurentian has had solid, consistent financials over the past five quarters, where its net income has ranged between $51 million and $60 million.

The stock is also a bargain, trading at only 0.7 times its book value and seven times its earnings.

Cineplex (TSX:CGX) is another stock that has dropped heavily in price this year, shedding 35% of its value since the start of the year. After its third-quarter results in November missed expectations, the stock nosedived and hit new lows for the year. The positive, however, is that sales continue to grow, and the company has generated free cash flow in each of the past four quarters.

The company proves time and again that its business model still has appeal with customers, despite the popularity of online streaming services. And Cineplex has shown it is willing to try new things in the hopes of bringing customers in, and that ability to adapt will help ensure it is able to grow even in difficult times.

Currently, it offers investors an attractive monthly dividend, which now yields more than 7.2% annually and has grown over the years.

AltaGas (TSX:ALA) may have recently cut its dividend, but the stock is still paying around 8% per year. Investors initially showed some confidence in the stock after it announced the reduction to its payouts, and with the dividend now more sustainable, it should be less risky to own and unlikely to see a cut, at least for for the foreseeable future.

Recent struggles in the oil and gas industry have made investors bearish on any type of stock related to the industry, and that's a big reason why AltaGas is trading at only 0.6 times its book value. And outside of a recent bad quarter, the stock has generally been able to produce positive results.

With its recent acquisition of WGL Holdings now complete, the company could be positioned for significant growth going forward, making now a great time to buy the stock.

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1. Dividend Stocks
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2. TSX:CGX (Cineplex Inc.)
3. TSX:LB (Laurentian Bank of Canada)

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