Revealed: 5 Huge Dividend Payers Trading Under $10

Description

One huge advantage to buying lower-priced stocks is just a small investment seems like a very big deal.

Say you have $5,000 to invest. You could buy 50 shares of a $100 stock or load up on 1,000 shares of a $5 stock. Even though they're both the same amount of capital, owning 1,000 shares is a whole lot more impressive than 50. Don't discount this psychological benefit.

With these five stocks, you too can be a high roller who buys hundreds of shares at a time. These names also offer some of the best dividends out there. Let's take a closer look.

Rocky Mountain

Rocky Mountain Dealerships (TSX:RME) is Canada's largest chain of farm machinery dealerships, boasting 37 locations and nearly $1 billion in annual sales. If you're a believer in the long-term growth of Canada's farming sector, Rocky Mountain is a great way to invest in the trend.

Shares are down nearly 40% over the last year, which was largely driven by poor weather across the prairies, including a late spring and only mediocre growing conditions throughout the summer. When crop yields aren't up to expectations, farmers don't spend as much on equipment.

The stock features a low forward price-to-earnings ratio of just 8.1, which indicates analysts expect a better year in 2019. And investors are paid a generous 5.5% dividend to wait — a payout well covered by earnings.

Rogers Sugar

Rogers Sugar (TSX:RSI) isn't fooling anybody into thinking its a growth stock, although the company did boost its top line nicely by expanding from the sugar business into maple syrup.

The stock still has plenty going for it though, including a comfortable duopoly with its largest competitor, protection from competition thanks to government tariffs on imported sugar, and a trend away from high fructose corn syrup and back to traditional sugar. The stock trades at just 12 times forward earnings expectations as well — an attractive valuation.

Perhaps the most compelling reason to own Rogers Sugar today is the fantastic dividend yield. Shares currently pay $0.09 per quarter, which works out to a 6.4% yield. Rogers hasn't missed a dividend in its history as a publicly traded company, which means you can count on this payout.

ZCL Composites

ZCL Composites (TSX:ZCL) makes fiberglass storage tanks for gasoline, diesel, and water for the oil and gas industry. Its core market is the fuel industry, with approximately 80% of revenues coming from its sales to gas stations and other customers.

Shares have struggled over the last year, falling more than 34% on tepid results. But the overall trend is strong, with many customers choosing to go with ZCL's fiberglass tanks when replacing their old steel tanks. And the company has a plan in place to improve margins by 5% by the end of 2020. That'll nicely boost the bottom line.

The stock currently has a fantastic yield of 7.4% — a payout that is supported by underlying cash flows.

American Hotel Properties

American Hotel Properties REIT (TSX:HOT.UN) has one of the best dividend yields out there. Shares currently pay out US$0.06 per month, which works out to an 11.6% yield.

Normally, dividends that high aren't sustainable, but this one could very well be. The payout ratio is approximately 100% of adjusted funds from operations today, but this could go down as hotels that were being renovated return to a normal level of profitability.

The company has other things going for it as well, including aggressive insider buying by the new CEO, a very reasonable price-to-adjusted funds from operations ratio, a good portfolio of properties for the long term, and the opportunity to acquire even more hotels. It's an extremely fragmented industry.

Chorus Aviation

A huge question mark was recently removed from **Chorus Aviation** (TSX:CHR) when the company announced it had reached an agreement with **Air Canada** to operate Air Canada Jazz flights until 2035. Shares rallied sharply on the news.

Chorus has also grown to be one of the largest aircraft lessors in the world, acquiring planes and then leasing them back to other airlines. This is the perfect win-win scenario; Chorus gets an attractive return on its investment and the airline gets the cost certainty of a lease.

Even after the Air Canada news, Chorus shares are still attractively valued. They trade hands at just eight times forward earnings expectations and pay an attractive 7% dividend.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CHR (Chorus Aviation Inc.)
2. TSX:HOT.UN (American Hotel Income Properties REIT LP)
3. TSX:RSI (Rogers Sugar Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/08/25
Date Created
2019/01/21
Author
nelsonpsmith