TFSA Investors: 3 Dividend Stocks That Are Great Value Buys Today

Description

Dividend stocks that have great payouts are good options to hold inside your TFSA. But why stop there, when you can look for dividend stocks that trade at good value multiples and can also possess a lot of upside? Below are three dividend stocks that are yielding up to 5.7% and that can double as great value investments.

Royal Bank (TSX:RY)(NYSE:RY) is a blue-chip stock that's been a good buy for decades. You won't find this stock trading at extreme multiples since hype doesn't follow it the way it does cannabis or tech stocks. But that's a good thing, since it ensures you won't be paying a big premium to own RBC stock, even though it might be worth it.

There aren't many stocks on the TSX that I'd be comfortable buying and forgetting about, but RBC is certainly one of them. As the top bank in the country, its stability goes without saying, as does its profitability. RBC trades at a modest two times book value and a multiple of only 12 times its earnings.

Its dividend yield is at 3.8%, and I wouldn't be surprised to see the bank hike its payouts at its next earnings release. It's a great investment for both value and dividend investors.

Hydro One (TSX:H) may have its share of drama, but it's still a solid investment option for investors looking for a stock to put into their TFSA. Whether it stays in Ontario or looks for other investment opportunities in the U.S., you can bet it'll continue pumping out profits either way. While its growth prospects may have been hampered with its recent deal with **Avista** falling through, it doesn't change the fact the utility stock will provide its shareholders with a lot of consistency.

With a dividend of 4.4%, you're getting a noticeably higher payout than with RBC, albeit for a bit more risk as well. However, with a price-to-book multiple of only 1.2 and its price-to-earnings multiple at a little over 16, it's a fairly priced stock that won't keep you up at night. Over the past 12 months, it has produced very stable returns of just 2%.

RioCan REIT (TSX:REI.UN) is yet another stable option for investors. The REIT has seen little fluctuations in its top line and has done a good job of staying in the black as well. The stock's three-year returns of less than 2% will likely leave you unexcited about its prospects, but that shouldn't be the case.

RioCan might be the best bargain on this list, trading right around its book value and at less than 14 times earnings. I wouldn't expect its value to skyrocket overnight, but there's definitely some potential there for it to climb from where it is today.

And even if it takes some time, you can enjoy its monthly dividend payments while you wait as RioCan currently pay $0.12 per share for an annual yield of 5.7% — the highest on this list.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. TSX:H (Hydro One Limited)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)
4. TSX:RY (Royal Bank of Canada)

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