TFSA Investors: 3 Dividend Stocks on Sale Now Yielding Up to 5.6%

Description

Many stocks have been doing well this year and so finding good deals for dividend investors has been a little challenging, but not impossible. When dividend stocks dip in price, it could be a good opportunity to buy since it means investors are able to lock in higher yields. Below are three stocks that have dropped in value this year that could be great additions to your TFSA.

NFI Group Inc (TSX:NFI) has been off to a disappointing start in 2019 with its share price down more than 9% year to date. If we stretch out the timeframe to the past 12 months, then we see it's part of a growing trend where the stock has been cut in half. Although the company didn't see much sales growth last quarter and profits have been a bit softer, the magnitude of the sell-off looks to be overdone.

However, that might make it a great time for dividend investors to pick up this struggling stock. At a price-to-book multiple of just 1.8 and trading at only nine times its earnings, NFI could double as a good value buy. With a dividend yield now up to 5.6%, there are no shortage of reasons to consider buying NFI today.

North West Company Inc (TSX:NWC) hasn't been on a long tailspin, and the stock only recently dipped in price when it released its fourth-quarter results. Modest sales growth of 7% during the quarter was wiped out by what the company referred to as "one-time business disruptions." As a result of those disruptions, the company's earnings from operations declined by 33% year over year, which led to a sell-off by investors; the stock is now down a total of 8% since the start of the year.

One good thing from the earnings release for income investors is that the company announced it was raising its dividend by one cent. The increase in dividend payments and the lower share price have helped the dividend yield rise to 4.6%. It's a great yield for a company that offers investors a lot of stability and predictability. Although retail may not be an appealing industry to invest in, North West Company is a bit unique in that it is has a strong market position in the areas that it operates in, unlike many retailers that have to operate in cutthroat environments.

Jamieson Wellness Inc (TSX:JWEL) is another stable stock that could make a great long-term buy for investors looking for a good dividend and lots of stability. The vitamin and supplement supplier is a household name that has been able to produce good, consistent results over the years.

However, that hasn't been enough to lure in investors in 2019 as the stock is down 9% year to date, which would have been worse if not for a recent rally thanks to a strong Q4 where sales rose by 18%. Since 2014, the company has seen its sales grow by more than 65%.

Although Jamieson's dividend isn't very high at just 1.9%, it's not a bad payout for holding a stock that should grow in value over the years. The stock is still very young and it has already increased its payouts once.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)
2. TSX:NFI (NFI Group)
3. TSX:NWC (The North West Company Inc.)

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