3 TSX Dividend Stocks I'm Getting Ready to Pull the Trigger on

Description

Truth be told, I haven't made any new investments in the stock market in quite some time.

I've been following things closely, of course, but since last October's sell-off, I've felt it wiser to bide my time and wait out this latest spell of volatility before making my move.

Whether that volatility is firmly behind us in the rearview mirror or not, I honestly can't say.

Frankly, I don't know if anyone has those types of answers.

But things have gotten to a point know where there are a handful of stocks that have been so cheap for so long, I don't know if I can bear to hold off on buying them any longer.

I'll highlight three of those stocks and why I think each one has reached a tipping point where the risk/reward tradeoff is now solidly tipped in favour of the bulls.

Last Friday, private equity firm Onex announced that it had agreed to acquire **Gluskin Sheff + Associates**, one of Canada's leading asset managers, for $445 million.

It was only one week earlier that **Brookfield Asset Management** had announced its own deal to acquire a majority stake in U.S. money manager **Oaktree Capital Group**.

The irony — or maybe its just disbelief on my part — is that I'd been banging the table on Gluskin Sheff along with several other of Canada's leading asset managers recently as representing some of the best opportunities available anywhere in the markets.

So, of course, Onex's acquisition of Gluskin Sheff last week on top of the Brookfield deal have only served to give me that much more confidence in the thesis.

Meanwhile, another of Canada's leading money managers **CI Financial** (TSX:CIX) is alreadyunderway with its plan to return a massive pile of cash to shareholders through a very aggressive share-repurchase plan.

That buyback program, when you consider it in light of the firm's 3.93% dividend yield, would be enough to warrant a purchase of the company's shares, in my view, but with M&A activity really starting to heat up in the sector, I don't think I can afford to hold off this one much longer.

Speaking of returning cash to shareholders (something I'm always very fond of) **Crescent Point Energy** (TSX:CPG)(NYSE:CPG) announced back in January that it would be cutting its monthly dividend distribution to just a penny per share.

Yet at the same time, the company announced a buyback plan of its own that would allow it to bid up to 7% of its outstanding common stock.

I like the flexibility that the share repurchases offer rather than a fixed dividend payout, I like the message management and the board of directors is sending: that they feel confident the company has the cash reserves to pursue a program of this magnitude. I like the idea of the company making an investment in its own stock, particularly if it's as undervalued as I believe it may be.

While CIX and CPG are busy doing hefty buyback programs, **Chemtrade Logistics** (TSX:CHE.UN) is flat-out paying its shareholders a 13.04% dividend yield.

Chemtrade reported $90 million impairment charge related to its water products business in the fourth quarter, which didn't make anybody happy, nor did it help the firm's reported dividend-payout ratio look very sustainable either.

Yet the firm reported $1.61 per share in distributable cash from continuing operations after maintenance capital expenditures, which, if it can maintain it, should be more than enough to support the current dividend.

Bottom line

At the end of the day, cash is king.

I like that these companies are (literally) putting their money where their mouths are.

Regardless of what ends up happening with the markets over the short term, investors should find themselves rewarded with an investment in these three dividend stocks.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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1. NYSE:VRN (Veren)
2. TSX:CHE.UN (Chemtrade Logistics Income Fund)
3. TSX:CIX (CI Financial)
4. TSX:VRN (Veren Inc.)

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