3 Cheap Dividend Stocks I'd Buy Right Now

Description

The markets have been doing well the past few weeks, but the good news for investors is that there are still some great deals out there. Below are three stocks that still offer great value for their price and pay more than 3% per year in dividends.

Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ) has climbed more than 22% since the start of the year, but it's still a relatively cheap option, as the stock trades at only 1.5 times its book value and 19 times its earnings. The oil and gas producer might see more bullish times ahead with oil prices showing some stability and Western Canada Select in particular trading at a much stronger price than in the past, which could trigger more activity in the industry.

Although the company is coming off a net loss in its Q4 results, what's important is that cash flow has been strong. In each of the past five quarters, Canadian Natural Resources has been able to generate positive free cash flow, with $5.7 billion being accumulated over the trailing 12 months. With a lot of depreciation expenses, accounting income can sometimes be misleading as to how well a company is really doing. And that's where looking at cash flow can add some valuable context.

Canadian Natural Resources currently pays investors a dividend of 3.6% and, combined with the potential upside the stock has, it could produce some great returns.

Suncor Energy (TSX:SU)(NYSE:SU) is another solid option for dividend and value investors. With a yield of 3.8%, it's another decent payout that's increased over the years. One of the largest companies on the TSX, Suncor is a great pillar that you can put into your portfolio and not have to worry about. Like Canadian Natural Resources, Suncor is coming off a difficult Q4 that saw the company post a loss. However, Suncor still posted a profit for the third consecutive year in 2018 and still has strong fundamentals.

In the past two years, the company has averaged a profit margin of 11%, which is very strong especially with its exposure to the oil and gas industry. Suncor's revenues in 2018 came in almost as high as they were in 2014, back when the industry was still doing well. The company has enduredsome very tough times, which helps validate the investment as a quality long-term buy.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) has been dropping in value lately, as concerns about credit risk and mortgages have made investors second-guess bank stocks. However, this could be a great opportunity for investors to catch the stock on a dip, especially if it drops to around $70. The stock has a lot more upside than where it is today as it looks to be undervalued.

Another good reason to pick it up is that its dividend is currently paying 3.9%, which is a bit high for where TD's yield usually falls and it may not last for long. Let's not forget, this is one of Canada's top banks. Regardless of what adversity it might be facing, there are not many stocks out there that are going to be safer investments.

And with a strong presence south of the border, it's a stock that's not going to be as heavily exposed to the domestic market either. There are still many avenues for TD to grow, and that makes it a great buy once you factor in the dividend and great price that the stock is trading at today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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