2 Dividend Stocks That Offer Yields Up to 7.9%: Should You Buy Today?

Description

Modern media has undergone a rapid evolution over the past decade. The rise of streaming services like **Netflix** represent an existential threat to traditional television. A consumer shift to primarily home entertainment consumption also threatens the cinema industry. Theatre attendance is increasingly driven by a thinning crop of big blockbusters, and this lack of diversification is a concern going forward.

Today we are going to look at two media stocks that boast big dividends. One stock has struggled mightily over the past year, while the other has rebounded after a significant dividend cut. Are these stocks worth buying in early June? Let's dive in.

Cineplex (TSX:CGX)

Cineplex stock plunged 3.13% on June 3. Shares have dropped 11% in 2019 so far, and the stock is down over 20% from the prior year.

Early last month I discussed why I liked Cineplex even after a difficult first-quarter earnings report. Theatres across North America had a rough start to the year, as the film slate was a disappointment in comparison to the previous year, which featured the surprise box office performance of *Black Panther*. Fortunately, box office numbers have improved in the spring of 2019. Theatres have been bolstered by releases like *Captain Marvel*, *Avengers: Endgame*, and *Aladdin*.

Even after its recent slide, Cineplex still has a forward P/E above 30. However, shares had an RSI of 25 as of close on June 4, putting Cineplex in technically oversold territory. In the first quarter, the company bumped its monthly dividend to $0.15 per share, which now represents an impressive 7.9% yield. Cineplex boasts solid value and a monster dividend, which should entice investors as it's poised to post improvement for the remainder of the year.

Corus Entertainment (TSX:CJR.B)

Corus Entertainment is a Toronto-based media and content company that owns the national Global

Television network and has a dominant footprint in Canadian children's television. Shares of Corus have climbed 33% in 2019 as of close on June 3. The stock has dropped 19% over the past month.

The company is expected to release its third-quarter 2019 results on June 26. In the second quarter, Corus reported a 4% increase in consolidated revenues, led by 11% growth in television advertising revenues. Corus has been boosted by its advertising and data initiatives, but its radio segment continues to be a drag on earnings. Radio revenues in the first six months of 2019 fell to $71.9 million compared to $75.1 million in the prior year.

In a weekend article I discussed the decision by **Shaw Communications** to sell its stake in Corus, causing the stock to fall sharply in the middle of May. Is the stock worth picking up ahead of its next earnings release?

Corus posted a marked improvement in its most recent quarterly report, but it is severely limited in this changing environment. It now offers a quarterly dividend of $0.06 per share, which represents a 3.7% yield. Shares are hovering around technically oversold territory in right now, but Corus simply does not offer enough value for investors to take a risk as we look ahead to the summer.

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aocallaghan