3 Dividend Stocks on Sale Yielding up to 7%

Description

Dividend stocks can offer your portfolio a great source of income. And buying them when their prices are low will give you a great opportunity to lock in higher-than-normal yields. Below are three stocks that have been down 5% in the past three months that pay as much as 7%.

Suncor Energy (TSX:SU)(NYSE:SU) has seen its share price decline by around 20% in the past year and since mid-March, it has fallen more than 7%. The company increased its payouts recently, and, along with the drop in price, it is now yielding just over 4% per year.

That's a pretty good payout given the size and stability that Suncor offers its investors over the long term. While there are short-term risks given the company's exposure to the oil and gas industry, it's still one of the better buys investors can make. Suncor increased its quarterly dividend payments by 17%, at a time when the industry is still pretty fragile. There could be a lot more upside in both the share price and the dividend if the industry fully recovers.

That's also a big part of the reason why Suncor is a better buy over the long term than it is the short term, as it'll take some time before we see a real recovery take place in oil and gas.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) hasn't faced the same problems Suncor has, but it too is down 10% over the past year and 8% in the last three months. Those are very weak numbers for a bank stock that normally doesn't see that big of a drop in price, especially with the economy still performing very well.

It could be a great opportunity to buy the stock on a dip. CIBC has a strong track record of increasing its payouts as well. Currently, it yields 5.4%, which is nearly unheard of for a top-five bank stock. It's definitely a rare opportunity to lock in a yield this good with a bank stock, especially with it still near its 52-week low.

CIBC is definitely a much lower-risk stock than Suncor, and it too can offer significant upside for investors.

Brookfield Property Partners (TSX:BPY.UN)(NASDAQ:BPY) is another attractive opportunity, not only because it offers investors a great dividend, but because it's also trading well below its book value. The stock is down around 6% over the past three months and trades at a modest 10 times earnings.

It has also hiked its payouts recently, and with payments being made in U.S. dollars, there's an added opportunity for investors to take advantage of a stronger U.S. currency as well. At its current payment of US$0.33 per quarter, Brookfield would provide a yield of around 7% per year.

It's a terrific payout for the real estate company that offers investors a lot of diversification. And with a beta of around 1.1, it's a very stable investment as well. While there may not be a lot of opportunity for investors to earn much capital appreciation on this investment, it could be a great option for investors that want to add a solid dividend stock to their portfolios.

CATEGORY

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:BPY.UN (Brookfield Property Partners)
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