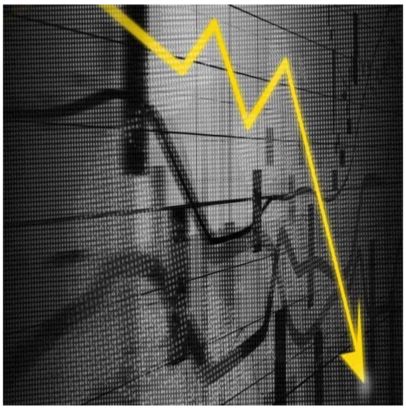

2 Dividend Beasts at 52-Week Lows

Description

The S&P/TSX Composite Index was up 44 points in early morning trading on July 2. Investors anxiety has eased somewhat after the United States and China appeared to reach a truce at the G-20. No deal is imminent, but a pause in trade hostilities was enough to boost futures and deal damage to safe havens like gold and crypto.

There is still room for income-focused investing early this summer. Valuations for many top stocks are still high, even after a choppy conclusion to the spring. Today, we are going to look at two dividend stocks that have scratched 52-week lows over the past week. Is it worth adding these equities on the cheap for the chance at building more passive income? Let’s find out.

Rocky Mountain Dealerships

Rocky Mountain Dealerships (TSX:RME) stock reached a 52-week low of $7.52 in trading late last week. The stock is down 8% in 2019 and 24% year over year. Sales were down 19% from its record first quarter in 2018, and the company has responded by moderating its pre-sale activity.

The Canadian agricultural sector is still in a strong position in 2019. However, trade tensions have weighed on specific sub-sectors. One notable disruption involves Chinese imports of Canadian canola, which has impacted seeding decisions. There is some measure of hope that improvement in U.S.-China relations may bring about a shift in the cooling relationship between Canada and China, which was worsened considerably since the arrest of Huawei executive Meng Wanzhou.

RME last paid out a quarterly dividend of $0.1225 per share. This represents an attractive 6.2% yield at the time of this writing. The stock has climbed out of technically oversold territory since its 52-week low, but it still represents a bargain today.

Arc Resources

Arc Resources (TSX:ARX) plunged to another 52-week low in early morning trading on July 2. The stock was down 3.6% to $6.18 at the time of this writing. Shares plummeted after the company cut its 2019 capital-expenditure budget down to $700 million in late June. This was due to the postponement of the Attachie West Phase I gas-processing and liquids-handling facility.

Turbulence in the broader oil and gas sector has pushed down Canadian energy equities in the late spring and early summer. U.S.-China talks pushed WTI crude above the $60 mark, but oil has encountered volatility again today. Oil was pushed into a bear market in early June, but investors should see this as an opportunity to add energy stocks on the cheap.

Arc Resources is one such equity. Shares stood at an RSI of 29 at the time of this writing, which puts the stock in technically oversold territory as we open the month of July. In mid-June, the company confirmed its monthly dividend of $0.05 per share. This represents a tasty 9.6% yield as of late-morning trading on July 2. Value and income investors should look to snatch up Arc Resources at these favourable prices.

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Date
2025/08/23
Date Created
2019/07/02
Author
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