Bargain Hunters: 2 Dividend Stocks Near Their 52-Week Lows

Description

When dividend stocks are trading near their lows for the year, it could be a good opportunity for investors to buy and lock in higher-than-normal yields. If the stocks still look like good buys and haven't declined due to some fundamental problem relating to their business, it could be a great move for investors. Below are two stocks near their lows that might prove great options to add to your portfolio today.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM) and other bank stocks have had mediocre performances so far in 2019, as there really hasn't been much traction. Economic concerns have prevented them from enjoying the normally strong and consistent returns that bank stocks achieve. CIBC stock, for example, has declined around 10% over the past 12 months and year to date is up just 2%.

This is atypical for the bank stock that over 10 years has risen nearly 80% in value and averaged an annual return of 6% over that time. The stock is about five dollars away from its low for the year, and with a price-to-book (P/B) ratio of 1.3 and trading at only nine times its earnings, it's a very appealing buy.

It has climbed as high as $125.21 during the past year; while the markets might be hesitant to show optimism surrounding the stock today, it may only be a matter of time before the stock returns to those highs. For the time being, however, investors can take advantage of the low stock price and grab the dividend, which is currently yielding 5.4%.

Cott Corporation (TSX:BCB) (NYSE:COT) is a lot closer to its 52-week low than CIBC is. Closing the week at just $17.28, Cott is less than a dollar away from reaching its bottom for the year and is in danger of hitting a new one. Down more than 22% over the past year, it's been a dreadful year for the stock.

Unfortunately, with sales up just over 2% in its most recent quarter and the company recording a loss after posting profits in each of the previous four earnings reports, investors haven't been that excited with Cott's performance lately.

The company is still undergoing a transition away from soft drinks in favour of coffee and tea and the divestiture of Cott Beverages LLC had a big impact on its sales in the most recent quarter. It's hard to evaluate a company's performance amid such a significant business change but Cott could be a great buy once the changes are in place.

By focusing on a healthier market, there could be many more growth opportunities for the company going forward, especially as tastes shift from sugary drinks. Cott is hoping that more health-conscious consumers will lead to more sales in its coffee and tea segments down the road.

Currently, its dividend of 1.8% isn't terribly high, but when compounded with the upside that the stock has, it could be a terrific buy for investors today. At a P/B of around two, Cott is a decent value buy despite its astronomical price-to-earnings ratio, which has been inflated due to a few bad quarters.

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