3 Discounted Dividend Stocks Yielding up to 10%

Description

The S&P/TSX Composite Index rose 18 points on July 10. Energy stocks provided a big boost to the index. Oil futures rose earlier in the week with OPEC cuts and Middle East tensions providing a solid price floor.

In early June, I'd discussed the bear market in oil and suggested that investors should jump on the opportunity to add energy stocks at a discount. We are going to stick to the energy sector today, but instead focus on income-generating equities. These stocks have enjoyed some of this recent run-up, but there are still bargains to be had right now.

Vermilion Energy

Vermilion Energy (TSX:VET)(NYSE:VET) is a Calgary-based oil and gas producer. The stock has dropped 13.7% over a three-month period as of close on July 10. Shares are still up 4.3% in 2019 so far.

Vermilion currently boasts a price-to-earnings ratio of 12. The company boasts attractive international diversification and benefited from improved production in the U.S. and Australia in Q1 2019. This diversification provides some cover from domestic price volatility. Producers are putting increased pressure on Alberta to ditch mandatory cuts that were implemented in late 2018, so Canadian producers may be on track for a boost going forward. The stock hit technically oversold territory in early June but has since rebounded to neutral levels.

This should still be a draw for income investors. Vermilion offers a monthly dividend of $0.23 per share, which represents a tasty 9.6% yield.

Ensign Energy

Ensign Energy (TSX:ESI) is an oil services company that is also based in Calgary. Shares rose 2.29% on July 10, but the stock is still down 21% over the past three months. In the first quarter, Ensign benefited from its Trinidad acquisition and saw revenue jump 72% from the prior year to $445.3 million.

Ensign stock boasts a solid price-to-earnings ratio of 10. Shares had an RSI of 41 after yesterday's close. Ensign has now climbed out of technically oversold territory, which it reached in late June and early July. Still, these are solid price points to go off as we approach the middle of July.

Ensign last announced a quarterly dividend of $0.12 per share. This represents a monster 10.7% yield at the time of this writing. The stock is a worthy target for value and income investors who are looking to cash in on an undervalued sector.

Arc Resources

Arc Resources (TSX:ARX) is another oil and gas producer with a home in Alberta. Shares jumped 2.69% on July 10. However, the stock has plunged 29% over the past three months. Earlier this month, I'd discussed why I liked Arc Resources after it fell to a 52-week low.

Arc Resources dipped after the company announced a cut to its 2019 capital expenditures. This inspired a quick dip in the stock, but investors chasing income should not be swayed. Arc Resources is demonstrating a commitment to keeping its cash position strong, which is good news for those who are looking to count on its big yield. The stock has climbed out of technically oversold territory, but at an RSI of 40 I still like the stock right now.

Arc Resources last paid out a monthly dividend of $0.05 per share. This represents an attractive 9.2% yield.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:VET (Vermilion Energy)
2. TSX:ARX (ARC Resources Ltd.)
3. TSX:ESI (Ensign Energy Services Inc.)
4. TSX:VET (Vermilion Energy Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Tags

1. Editor's Choice

Date
2025/08/22
Date Created
2019/07/11
Author
aocallaghan