3 High-Yield Stocks at Rock-Bottom Prices

Description

It’s never been a better time to start looking into high-yield dividend stocks.

With a potential recession in our midst, the U.S.-China trade war, and Brexit, to name just a few global concerns, having a few stocks in your portfolio that will continue bringing in cash, no matter what is an ideal scenario.

The higher the dividend yield, the better. But there’s more to it at this point. There are a few stocks out there that are already down because of this volatile economy, which leaves them ripe for the picking.

These three stocks are not only trading at bargain-basement discounts, but will likely increase substantially once the economy turns around. A year from now, you could have both strong dividends, coupled with significant gains.

So let’s take a look at three great options right now.

CIBC

While the **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) may not be the top performer amongst the Big Six Banks, it certainly is the top discount.

The stock has taken a huge fall as analysts worry it isn’t prepared for a recession – and it’s the bank that stands to lose the most from a housing crisis.

Its second-quarter results recently sent the stock tumbling 10%, and the next quarterly results don’t look like things will improve by much.

But these are near-term issues, and for those looking for long-term stocks with strong dividends, CIBC certainly has them.

In the last 20 years, CIBC shares have increased by more than 200%, and the stock currently offers the best dividend yield of the Big Six bunch with 5.55%, coming out to $5.60 per share per year, and with a consistent history of dividend growth.

CIBC currently trades just below $100 per share, with fair value at $125. That's a potential upside of 25% as of writing.

Enbridge

Another rock-bottom dweller is **Enbridge Inc.** (TSX:ENB)(NYSE:ENB), a stock plagued by short-term issues that have sent the stock lower and lower.

There's the oil and gas industry as a whole, delays in its pipeline projects, and a pipeline explosion that led to a tragic fatality this month.

Yet again, all of these are short-term issues for a strong company that continues to pump out stellar results. Enbridge has $16 billion in secured projects to be completed by 2021, up to $6 billion in further projects, and long-term contracts that will bring in cash for decades.

The stock also boasts share growth of 460% in the last 20 years, and a strong dividend of 6.61% or $2.95 per share per year that has grown consistently over the years, and should continue to grow by 8-10% until 2021, according to management.

Enbridge currently trades just below $45 per share, with fair value at $61. That's a potential upside of 36% as of writing.

Chemtrade

Finally, we have a top dividend performer with **Chemtrade Logistics** (TSX:CHE.UN). This stock is ideal for investors who want a cheap share price, and high dividends, and are willing to be a bit more risky at the stock doesn't have the 20-year history of CIBC and Enbridge.

But Chemtrade is a strong bet in this volatile economy, as the company processes and refines industrial chemicals for almost every industry, from oil and gas to water treatment and everything in between.

This leaves a large area for the company to be involved in, and also room for further growth. The stock currently has an incredible dividend yield of 12.31%, doling out $1.20 per share per year.

Chemtrade currently trades just under $10 per share, with fair value at about $12 for a potential upside of 20% as of writing.

CATEGORY

1. Bank Stocks
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TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:CHE.UN (Chemtrade Logistics Income Fund)
4. TSX:CM (Canadian Imperial Bank of Commerce)
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