3 Dividend Stocks to Watch Ahead of Earnings

Description

We have reached a static period on the S&P/TSX Composite Index in the month of October. Investors are wrestling with the reality of slower growth in the broader economy, so we want to pick our spots wisely ahead of the new year. Today, I want to look at three dividend stocks that are set to release the next batch of results in late October. Which of these is a buy today? Let's jump in.

AltaGas

AltaGas (TSX:ALA) is a Calgary-based energy infrastructure company. Shares of AltaGas have soared 109% in 2019 as of early afternoon trading on October 25. Back in the spring, I'd suggested that the stock was still worth picking up even after its hot start in the first half of the year. The company is set to release its third-quarter results on October 30.

Shares have crept into pricier territory over the past several months. The stock now possesses a price-to-earnings ratio of 21 and a price-to-book value of 1.6. The stock's dividend has pension funds paying double the previous year's price to have AltaGas in a portfolio. AltaGas currently pays a monthly dividend of $0.08 per share, representing a 3.1% yield.

The stock does not offer the tasty dividend that it did when we visited it back in May. I'm more interested in jumping in on a price correction than paying a premium for a 3% yield today.

WestJet Airlines

WestJet Airlines (TSX:WJA) stock has climbed 72% in 2019 so far this year. Shares have gained momentum since it agreed to be acquired by **Onex** in a transaction valued at $5 billion back in May. Price action for the stock has been flat over the past three months.

The company is set to release its third-quarter 2019 results on October 29. WestJet reported net earnings of $44.3 million in the second quarter compared to a $15.8 million loss in the prior year. Total revenue increased to $1.21 billion over $1.09 billion in Q2 2018. The airline industry has been fruitful for investors over the past decade, with **Air Canada** and WestJet both rewarding shareholders in a big way.

Shares possess a high P/E ratio of 28 and a P/B value of 1.6 at the time of this writing. The stock last paid out a quarterly dividend of $0.14 per share, which represents a modest 1.8% yield. This is another case where I want better value before jumping in, especially in a low-growth environment, which has been historically dangerous for the airline sector.

Genworth MI Canada

Genworth MI Canada (TSX:MIC) is a private residential mortgage insurer. Shares have increased 39% in 2019 so far. A rebalanced housing market has been great for the stock, which has climbed 23% over the past three months. The company is set to release its third-quarter results on October 30.

In the second quarter, Genworth reported net income of $110 million, which was up 13% from the previous quarter. Total premiums written surged 85% quarter over quarter and posted 14% growth from the prior year. New insurance written from transactional insurance rose 12% to $5.3 billion primarily due to increased housing market activity. The CMHC projected that the market will continue to rebound over the next two years, as prices recover to 2017 levels. This is good news for Genworth.

The stock still boasts a P/E ratio of 11 and a P/B value of 1.1. Genworth last bumped up its quarterly dividend to $0.51 per share. This represents a 3.8% yield, which is the best of the bunch we have covered today. I like Genworth stock as the housing market looks to build momentum into the New Year.

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