



Fire Sale: 3 Dividend Stocks to Buy Before 2020

Description

The holiday season likely has many Canadians on the hunt for discounts. Bargain hunting is a great idea in the market as well. Investors who entered the market in late 2018, after a bloodbath to finish the year, have been richly rewarded in a record-breaking year for the TSX in 2019. When those stocks pay out solid dividends, it is even better, as you are getting double the discount. Today, I want to look at three stocks that have triggered buy signals over the past week. Not only are they technical bargains, but they also offer solid dividends.

Toronto-Dominion Bank

Last week, I'd discussed why investors should seriously consider adding **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) [on the dip](#). Shares of TD Bank have dropped 4.3% over the past month as of late-morning trading on December 13. The stock suffered a retreat after the bank released a disappointing fourth-quarter 2019 earnings report.

TD Bank reported net income growth in 2019 compared to the full year in 2018. Like several of its peers, its setback came in the final quarter. Adjusted net income fell to \$2.94 billion over \$3.04 billion in the prior year, and adjusted diluted earnings per share came in at \$1.59 compared to \$1.63 in Q4 2018. Profit growth in its Canadian Retail segment was sluggish, while its U.S. Retail segment was the high point once again.

The bank declared a quarterly dividend of \$0.74 per share earlier this month, representing a 4% yield. Shares have climbed out of technically oversold territory since last week, but I still like the value TD Bank offers in the middle of December.

Frontera Energy

The energy sector has been tricky for investors in the second half of this decade. **Frontera Energy** ([TSX:FEC](#)) is a Toronto-based public company dedicated to oil and gas exploration and production. Shares of Frontera have plunged 31% over the past three months.

Frontera released its third-quarter 2019 results on November 7. Production at Frontera increased 6% year over year to 70,213 boe/d but sales volumes were down from the prior year. This pushed the company into a loss for Q3 2019. In its 2020 guidance the company is forecasting operating EBITDA between \$400 million and \$450 million. It also expects continued softness for oil prices.

The stock last paid out a quarterly dividend of \$0.205 per share. This represents a tasty 9.2% yield. Shares possessed a price-to-earnings ratio of six and a price-to-book value of 0.5 at the time of this writing. Frontera stock last had an RSI of 27, which puts it in technically oversold territory.

Canadian Imperial Bank

Back in the summer, I'd suggested that [investors should scoop up Canadian Imperial Bank \(TSX:CM\)\(NYSE:CM\)](#) stock at a discount. CIBC stock has dropped 4.4% over the past month. Its shares also suffered a retreat after a less-than-stellar fourth-quarter earnings report.

Adjusted net income fell 4% year over year in Q4 2019 to \$1.31 billion, and adjusted diluted earnings per share fell 5% to \$2.84. Its full-year results also fell short of expectations, as adjusted profit declined 4% in its Canadian Personal and Small Business Banking segment to \$2.46 billion for fiscal year 2019. Its U.S. Commercial Banking and Wealth Management segment was the strong point as adjusted profit rose 22% from 2018 to \$723 million. There are some positives to glean, though. CIBC's retail banking segment has struggled due to turbulence in Canada's housing market, but the sector has bounced back nicely in 2019.

The stock offers a quarterly dividend of \$1.04 per share, which represents a strong 5.2% yield. This is tops among the big banks. CIBC stock has a favourable P/E ratio of 9.8 and a P/B value of 1.3. To top it off, the stock last had an RSI of 35, which puts it just outside technically oversold territory.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CM (Canadian Imperial Bank of Commerce)
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Date

2025/08/18

Date Created

2019/12/13

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