TFSA Investors: 2 High-Yield Dividend Stocks That Are Insanely Undervalued

Description

The Tax-Free Savings Account (TFSA) is one of the most popular accounts for savings. The Canadian government introduced this account type to encourage Canadians to save more money. Your contributions to TFSA are tax-free, giving you the ability to achieve your savings goals. That being said, there are several ways you can make the most of your account.

One of the best ways to maximize the advantages of TFSA is by using it to buy and hold stocks that are undervalued. If you buy a stock that is severely undervalued, you are banking on its likelihood to grow, so you can earn a substantial amount through capital gains.

Finding undervalued stocks with the potential for long-term growth is not easy. If you do not choose the right company's shares to invest in, you might end up investing in stocks that are dead in the water. If you invest in a dividend-paying stock, but it does not exhibit capital gains, its dividend income can still add more to your TFSA and boost your wealth.

I am going to discuss **Nutrien** (TSX:NTR)(NYSE:NTR) and **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY). I think stocks from the two companies are drastically undervalued and present ideal options for your TFSA portfolio.

Brookfield Property Partners

Brookfield Property Partners is a subsidiary of **Brookfield Asset Management**. But it operates as a separate entity registered on the TSX. Brookfield Property is in the REIT industry, with a portfolio that consists of some of the world's most exceptional properties. With over 100 million square feet of gross leasable area, Brookfield Property owns properties all over the world, including the World Trade Plaza in New York City and Canary Wharf in London.

Despite being such a significant company, BPY is trading at just $24.83 per share at the time of this writing. Its parent company told investors that the company has been trading at a 35% discount to fair value. The fact that the price-to-book ratio for Brookfield Property stocks is a remarkable 0.86 shows that the numbers agree with Brookfield Asset Management.

Nutrien

Agrium and Potash Corporation of Saskatchewan merged at the start of 2018 to form Nutrien. The company has since become a significant player in the fertilizer industry. The company also has stable wholesale operations for phosphate and nitrogen around the world. All three products are vital for growers to improve yields for their crops.

Nutrien also has a massive retail operation that supplies more than half a million farmers with crop protection products and seeds. Using the latest innovations in technology, Nutrien is improving efficiencies. The company is also building its digital business through acquisitions. Nutrien stocks are trading for $61.99 per share at writing — 15.58% below its 52-week high.

The prices for phosphate, nitrogen, and potash have struggled all over the world and contributed to its dip in price. A lot of investors have sold their shares and turned their backs on the company — the stock trades for 1.54 price to book and has an EBITDA of 11.17. The valuation of the company can be considered to be severely depressed right now.

Foolish takeaway

As the year comes to an end, Brookfield Property has gained 13.22% year to date and has an impressive price-to-book ratio. Nutrien is suffering due to the ridiculously low fertilizer prices right now. There is a chance that the stock might dip a little further, but it can reach phenomenal heights for patient investors.

I think that both Brookfield and Nutrien are ideal stocks to consider adding to your TFSA if you want to take advantage of undervalued and dividend-paying stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:BPY.UN (Brookfield Property Partners)
3. TSX:NTR (Nutrien)

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Date
2025/07/02
Date Created
2019/12/16
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