



TFSA Investors: 2 Cheap Dividend Stocks to Buy Right Now

Description

The annual contribution limit for the Tax-Free Savings Account (TFSA) increased by \$6,000 in 2020. For investors who have been eligible to contribute since its inception in 2009, this pushes up the cumulative contribution room to \$69,500.

That is a lot of room to work with, especially for investors who are looking for [diversification in their portfolios](#). This allows us to target growth-oriented and income-oriented stocks in the New Year.

For investors who are [holding a lot of cash in this market](#), there are few discounts to be had to start 2020. The **TSX** surged to record highs to close out 2019, which mirrored the terrific performance of United States-based indices.

Fortunately, there are still some cheaper stocks available in the first half of January. Let's dive in and see what stocks we can add at a discount today.

Empire Company

Empire Company ([TSX:EMP.A](#)) is a Canadian conglomerate engaged mostly in food retail. It owns and operates large grocery retail chains like Sobeys, IGA, Farm Boy, FreshCo, and others. Its stock has dropped 16% over the past three months as of close on January 8.

The company released its second-quarter fiscal 2020 results on December 12. It reported same-store sales growth of 2% and earnings per share of \$0.57, up from the \$0.38 posted in Q2 FY2019.

Empire intends to invest \$600 million in 2020 across its operations, which \$70 million being spent on its expansion of Farm Boy. Empire warned of softening sales and "concerning" conditions in the broader economy, which spurred the sell-off.

Shares of Empire had a price-to-earnings ratio of 17 and a price-to-book value of 2.2 at the time of this writing. The stock last had an RSI of 32, putting it just outside of technically oversold territory. Investors should monitor broader economic conditions, but I like Empire at its current price.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is one of the largest telecommunications companies in Canada. Shares have dropped 4.8% over the past three months. BCE initially rose after the release of its Q3 2019 results.

It missed analyst estimates and reported adjusted earnings per share of \$0.91. **Rogers** was hit hardest when it reported that new pricing would have a negative impact on its business.

The telecom is still in a strong position and investors should expect BCE and its peers to adjust to the new environment. Shares had a P/E ratio of 18 as of close on January 8, and a high P/B value of 3.2.

The stock had an RSI of 37 at the time of this writing, as it has climbed just outside of technically oversold territory from its late December lows. However, it is not too late to buy the dip.

BCE stock offers a quarterly dividend of \$0.7925 per share, which represents a 5.2% yield. It has delivered dividend growth for 10 consecutive years.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:EMP.A (Empire Company Limited)

PARTNER-FEEDS

1. Business Insider
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