



TFSA Investors: 3 Cheap High-Yield Dividend Stocks to Buy in 2020

Description

You can buy stocks that pay dividends in your TFSA. The big plus is that you'll never have to pay taxes on the dividends you receive. Stocks that have a high dividend yield are great to own if you'd like to receive regular income. Some stocks on the TSX are looking cheap and pay a high yield. **Laurentian Bank of Canada** ([TSX:LB](#)), **Acadian Timber** ([TSX:ADN](#)), and **Russel Metals** ([TSX:RUS](#)) are three high-yield stocks that look appealing right now.

Laurentian Bank

Laurentian Bank was founded in 1846 and has a market capitalization close to \$1.9 billion. The Montreal-based bank, along with its subsidiaries, provides banking services to individuals, small- and medium-sized businesses, and independent advisers in Canada and the United States. It operates across four segments: retail services, business services, B2B bank, and capital markets.

Laurentian Bank's stock hasn't moved much in the past year, with a one-year return of only 5%. But the stock could do better this year, as revenue is expected to increase by 3% to \$997 million and profit by 5.6% to \$4.50 per share.

In December, the bank announced an increase to its quarterly dividend to shareholders by a penny to \$0.67. This gives an annual dividend of \$2.68 per share. The stock now has a dividend yield of around 6%, which is higher than the yield of the Big Five banks. With a forward P/E of 9.2, the stock is quite cheap.

Acadian Timber

Acadian Timber is a Vancouver-based supplier of primary forest products to eastern Canada and to the northeastern United States. The company operates through two segments: NB Timberlands and Maine Timberlands. The company has a market capitalization near \$280 million.

Acadian stock has only gained 3% over one year. Declining sales and profit have put pressure on the share price. The stock should perform better in 2020, as the company is expected to report strong growth in profit. Earnings per share are estimated to grow by about 228% year over year to \$0.92 per

share.

Acadian is the kind of stock [Warren Buffett](#) could be interested in. It's a boring business, but it is undervalued. It has a strategy of maximizing cash flows while keeping production costs low.

Acadian pays a quarterly dividend of \$0.29 per share. This represents a \$1.16 dividend on an annualized basis and a yield of 7%. Few stocks on the TSX offer such an interesting dividend yield.

Russel Metals

Russel Metals is a distributor of steel and metal products in North America. The company operates through three segments: metal service centres, energy products, and steel distributors. Russel was founded in 1929 and is headquartered in Mississauga. The company has a market capitalization close to \$1.4 billion.

Russel pays a quarterly dividend of \$0.38 per share, which gives an annual dividend of \$1.52 and a dividend yield close to 7%. So, while you wait for the stock to jump, you get paid an interesting amount in dividends.

Russel stock has gained only 2% over one year due to disappointing results. While revenue isn't expected to increase in 2020, earnings are expected to grow by 23% to \$2.06 per share, which should help boost the stock. The [small-cap stock's](#) forward P/E is 10.8, which is lower than its five-year average P/E of 13.5.

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1. TSX:ADN (Acadian Timber Corp.)
2. TSX:LB (Laurentian Bank of Canada)
3. TSX:RUS (Russel Metals)

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Author

sbchateauneuf

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