



Bargain Hunters: 3 High-Yield Dividend Stocks Near 52-Week Lows to Buy Right Now

Description

The markets are starting to look oversold after two straight days of triple-digit declines. If you're looking for a [bargain](#) but don't want to risk your shirt with names that are just a stone's throw away from their 52-week highs, consider the following intriguing stocks that could bounce off their 52-week lows.

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) isn't just [Warren Buffett](#)'s preferred way to play the Canadian oil patch; it has one of the most attractive dividends on the planet. The bountiful dividend sports a 4.8% yield, which is expected to continue growing at an above-average rate over the coming years.

While Suncor isn't the only energy stock to have a dividend near the 5% mark, I believe Suncor's dividend is the safest of the batch given the company's impeccable integrated operations that generate stable cash flows through good times and bad.

With oil prices falling into a bear market in 2020, Suncor is one of few firms that can insulate its shareholders from the volatility of the energy sector.

With the largest yield in recent memory and a valuation (5.1 times EV/EBITDA, 1.5 times sales) that's too good to pass up, Suncor is a smart buy at \$38 and change. Heck, you may even get a better cost basis than to Oracle of Omaha himself when all is said and done.

TD Bank

Given the macro headwinds that are slated to temper loan growth while margins thin, the Canadian banks are hard to own. Add increased odds of a surprise Fed interest rate cut (the Bank of Canada will likely follow suit given the weakness in the global and Canadian economies), and the problems for the big banks may get worse before they get sooner as the yield curve looks to flatten and invert, making profits that much harder to come by.

While **TD Bank** ([TSX:TD](#))([NYSE:TD](#)) has a reputation for being one of Canada's most premier banks, it's still not immune from the tremendous pressures facing bank stocks.

It's going to be hard to get profits back in the high-single-digits given growth and margins are both getting squeezed by the unfavourable environment.

But if there's a crisis-ready bank, it's TD, as management has an "aura of conservative practices" ingrained in them. The year 2020 is looking like another year of challenges and skimmed growth, but in the grander scheme of things, the headwinds facing the Canadian banks are mild relative to the disaster that was 2007-08.

When credit finally normalizes, TD will be among the first to come roaring out of the gate. And you'll want to own the stock before analysts line up to upgrade the name and the broader basket.

For now, you're getting a 4.1% yield for 10.5 times next year's expected earnings while you wait for TD to navigate the rough waters that lie ahead.

Pizza Pizza Royalty

Finally, we have a wild card in **Pizza Pizza Royalty** ([TSX:PZA](#)), a pizza play with a mouth-watering 9% yield at the time of writing.

While Warren Buffett thinks it's "stupid" to chase yield, it may make sense if you've already got a diversified portfolio and have a bit of disposable income to take more risks with.

Rather than betting on a spec tech play, Pizza Pizza makes a heck of a lot more sense given the stock is oversold, and the dividend may just survive to allow you to "lock-in" the oversized yield before the company has a chance to get back on the high road.

I won't be the first to tell you that a 9%-yielding stock comes with its fair share of risks. And while Pizza Pizza has seen the appetite for its products fall off of late, I'm encouraged by the rebound potential once Canada comes roaring back after its slowdown.

Canadian consumers are tightening their belts, and as a relatively expensive fast-food offering (with delivery fees and tips added to the bill), Pizza Pizza has room to deliver a better value proposition for its customers, either through discounting or specials, to win back the pizza crowd.

Stay hungry. Stay Foolish.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
4. TSX:SU (Suncor Energy Inc.)
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