Dividend Investors: These 3 52-Week Low Stocks Are Screaming Buys Today

Description

Monday wasn't a good day for markets, with hundreds of stocks in North America hitting a fresh 52-week low. It wasn't just the Coronavirus impacting stocks yesterday; investors were also spooked by oil's massive decline.

Today looks to be an excellent time for investors to pick up undervalued shares. As the old mantra goes, you want to buy low and sell high. And with the **TSX** off close to 20% from recent highs, now is the time to buy.

Let's take a closer look at three stocks trading at a 52-week low you'll want to add to your portfolio today.

Bank of Montreal

Similar to many of Canada's top banks, it appears that **Bank of Montreal** (TSX:BMO)(NYSE:BMO) is making a new 52-week low every day. While that volatility is scary, it also represents a great buying opportunity.

BMO is a prominent member of Canada's dominant banking cartel. This has been an excellent place to be over the last hundred years or so. Competition is fierce, but Canada's top banks realize they don't have to fear any foreign competition.

The riskiest mortgages are insured against default. And we all know the federal government will step in and save the banks if needed.

Plunging interest rates are also good news for banks like BMO. As the cost of funding declines, they'll be able to pass the savings onto customers will still maintaining net interest margins, which should result in more activity on the lending side, ultimately leading to more profits.

Despite all the carnage around us, however, analysts still project BMO's profits to be strong. Shares trade at $76.53 each as I write this, a fresh 52-week low and close to a five-year low. Earnings are expected to be $9.82 per share, giving us a P/E ratio of just 7.8. Oh — and BMO shares now offer a dividend yield of 5.6%.

Pembina Pipeline

Pembina Pipeline (TSX:PPL) shares got crushed on Monday, falling some 20% on the day. Shares crashed through the previous 52-week low, hitting a level not witnessed since 2015.

It's obvious why shares cratered. Investors are worried Alberta's oil producers will be permanently damaged and low prices will force operators to stop production. It's the same thesis that drove prices down in 2015, but Pembina weathered that storm. I predict the company will do so again.

Pembina has been an excellent long-term performer. Management have used a combination of smart growth and opportunistic buying to slowly make the company bigger. Since 2015, the company has almost doubled EBITDA per share and has plenty of growth potential going forward, like a proposed LNG export terminal in Oregon.

Meanwhile, investors can sit back, relax, and collect the company's generous $0.21 per share monthly dividend. That works out to a 6.9% yield, a payout that's only around 75% of earnings.

Canadian National Railway

There's a reason why so many investors like rail stocks. They are irreplaceable assets with fantastic protection against competition. It's all the better when you can buy such companies at a 52-week low.

That's what investors who buy **Canadian National Railway** (TSX:CNR)(NYSE:CNI) shares are getting, today. Shares are down some 20% in the last month alone, making today a great time to buy.

There's little doubt that short-term results will be ugly. A slowing economy combined with protests that effectively shut down the rail network for weeks here in Canada will not bode well for the bottom line. But railways are vital to an economy, and Canada's are some of the best rail operators in the world.

Shares currently trade hands at around $104 each. Analysts expect the company to earn just over $6 per share in 2020, giving us a price-to-earnings ratio of just under 17 times. While that might not seem very cheap, the stock has traded at a P/E ratio in the 25-30 range for years now.

Besides, excellent companies will hardly ever trade at a cheap valuation. The best you'll do is buying at what seems like a reasonable valuation, just like we're experiencing today. Don't miss out on this opportunity to buy a great asset at a good price.

The bottom line

There are dozens of high-quality Canadian stocks trading at (or close to) a 52-week low. You'll regret missing out on this buying opportunity if you don't act, immediately.

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1. Bank Stocks
2. Dividend Stocks
3. Investing

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2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:PPL (Pembina Pipeline Corporation)

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