



TFSA Investors: 2 Dividend Stocks Yielding Up to 9.8% to Buy as This Sell-Off Worsens

Description

The global market bloodbath on March 9 pulverized equities on the S&P/TSX Composite Index, with the energy sector sustaining the most [damaging blow](#). Governments around the world are already gearing up to respond to this crisis with added monetary and fiscal stimulus. Dow, NASDAQ, and S&P 500 futures were well into the green before trading commenced on March 10.

There is hope that this pullback will be short-lived. Canada is heavily reliant on its energy sector, and if oil prices do not rebound, growth will undoubtedly take a major hit. The country will lean on a resurgent housing sector in the months to come. This industry is poised to be [boosted by falling rates and softening regulations](#).

Housing-linked stocks have been pummeled in this correction. Fortunately, that means we have been granted the opportunity to add high-quality equities at a discount. Today I want to look at two stocks that are well positioned to benefit from the housing rebound. To add to that, both boast mouth-watering dividends.

Bridemarq Real Estate

Bridemarq Real Estate ([TSX:BRE](#)) is a real estate company that provides information and services to real estate agents and brokers. The portfolio of real estate brands it currently owns includes Royal LePage, Via Capitale, and Johnston & Danie. Its shares have dropped 8.6% over the past week as of close on March 9. The stock plunged 7.58% yesterday.

The company released its fourth quarter and full-year 2019 results on March 6. Revenue increased 20.2% year-over-year to \$10.6 million and its network of REALTORS grew 2.1% to 19,111. Full year results were dragged down marginally by first half weakness, but the rebound is beginning to show itself starkly in its earnings. Bridemarq generated distributable cash flow of \$17.2 million or \$1.34 per share compared to \$14.4 million or \$1.13 per share in 2018.

Its board of directors declared a monthly distribution of \$0.1125 per share, consequently representing a 9.8% yield. An improvement in the market should bolster earnings to better cover interest payments. But as it stands today this is the riskier of the two stocks that I will focus on. Shares are trading just outside of oversold territory with an RSI of 32 right now.

Canadian Imperial Bank of Commerce

Only a few short years ago, **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) was the leader among its peers when it came to its mortgage portfolio. The bank bet big on housing in major metropolitan areas like Vancouver and Toronto, and it was punished for this strategy when real estate markets slumped in 2017 and 2018. CIBC recently announced a big investment in its mortgage division as it aims to recapture its former glory.

Shares of CIBC plummeted 13.6% on March 9. This put the stock at 52-week lows; the last time shares fell below the \$90 mark was in early 2016. In the first quarter of 2020, CIBC reported 9% year-over-year growth in adjusted net income to \$1.48 billion and adjusted diluted earnings per share increased 8% to \$3.24. Each of its main segments reported earnings growth compared to Q1 2019.

The bank recently announced an increase in its quarterly dividend to \$1.46 per share, as a result representing a strong 6.8% yield.

CIBC boasts an immaculate balance sheet. The stock last possessed a very favourable price-to-earnings ratio of 7.6 and a price-to-book value of 1. Shares had an RSI of 14, which I believe puts CIBC in oversold territory.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:BRE (Bridgemarq Real Estate Services Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)

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Date

2025/09/04

Date Created

2020/03/10

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