3 High-Yield Dividend Stocks To Buy at Dirt-Cheap Prices

Description

If you want to create a passive income stream, the first thing you might want to look at is a high dividend yield, albeit that should not be your sole criteria for picking up a dividend stock. Nobody can ensure that a company will keep paying or increasing its dividend payouts in the future.

However, you can at least take a look at its dividend metrics and gauge whether the high-yield seems stable for the future.

Many people play it safe and stick with Dividend Aristocrats, but not many Aristocrats offer substantially high yields. So if not Dividend Aristocrats, it might be a good idea to invest in companies that pay steady dividends and at stable payout ratios.

It's even better when the companies are trading at dirt-cheap prices, as you'll get a higher number of shares for your investment.

An energy and chemical company

Superior Plus (TSX:SPB) has two spate businesses: energy distribution and specialty chemicals. This $1.73 billion company markets and distributes propane, liquid fuel, and other natural gas liquids under its energy wing. As well, it produces and sells sodium chlorate, chlor-alkali, chlorine dioxide chemicals, and related products.

The company has a stable, industry-centric business as well as a retail wing. It's also a consistent dividend payer and pays out monthly dividends of $0.06 per share. The payout ratio is relatively stable at 87.8%, and the yield is a very juicy number of 6.78%. The company is trading at a monthly low of $10 per share at writing.

A REIT

BTB REIT (TSX:BTB.UN) is a commercial property REIT with assets on a select few strategic locations. It has a well-diversified portfolio of office, retail, and industrial properties. Most of the properties BTB owns are office buildings.

The company has been consistently paying dividends of $0.035 per share every month. The payout ratio is very stable, at 65.63%. The dividend yield is mouthwatering at 8%. Currently, the company is trading at $5 per share with a price-to-earnings of just 8.1. It's also a decent grower. The five-year CAGR of the company works out to about 9.9%.

A Dividend Aristocrat

Inter Pipeline (TSX:IPL) was crowned a Dividend Aristocrat for increasing dividends for five consecutive years. The company is engaged in transportation, processing, and storage of energy products and has facilities around the globe.

The company owns and operates conventional oil pipelines, as well as lines that can transport oil sands. It also has NGL processing facilities and liquid storage facilities in Europe.

The company was already trading at around $22 per share this year before plunging with the broader market, and is now trading at a steep discount of $13.46 per share at writing. This converts to a highly enticing yield of 9.73%. That said, the company's pay ratio appears to be rather unsafe right now.

Foolish takeaway

Many good businesses are currently trading at a discount. Many companies have fallen from double digits to single-digit market prices, which presents an amazing opportunity for investors who like to pick up undervalued or discounted stocks for their portfolio.

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1. Dividend Stocks
2. Energy Stocks
3. Investing

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