Market Crash 2020: 3 Dividend Stocks to Buy Today

Description

The **S&P/TSX Composite Index** has continued to recoup its sharp losses from the March 2020 market crash. It gained 221 points on April 2. Fortunately, it's not too late for value investors to snag dividend stocks at a discount.

Government stimulus packages worldwide have managed to stabilize markets somewhat. However, we are still in the early stages of this economic crisis which has been spurred by the destructive COVID-19 pandemic.

Jobless claims reached 2.13 million in Canada in response to the economic shutdown. Worse yet, in the United States, jobless claims soared to 6.6 million.

This past week I'd focused on two dividend champions that were in bargain territory. Today, I want to look at three more dividend stocks that are well worth stashing in your portfolio in April.

High-yield dividend stock: Great-West

Great-West (TSX:GWO) is a financial services and insurance company that services customers in Canada, the United States, and Europe. This dividend stock qualifies as a **TSX** Dividend Aristocrat, having hiked its dividend for at least five consecutive years.

Shares of Great-West have dropped 28% month over month as of close on April 2. The company released its fourth- quarter and full-year 2019 results on February 12.

Consolidated assets under management at December 31, 2019 grew to over $1.6 trillion — a 16% increase from the prior year. Sales came in at $42 billion as Great-West was powered by higher fund management sales in Europe, higher empower retirement sales and higher wealth sales in Canada.

The stock last had a favourable price-to-earnings ratio of 8.9 and a price-to-book value of 1.0. In its Q4 report, the board of directors approved a dividend increase of 6%. It now offers a quarterly payout of $0.438 per share, representing a tasty 7.8% yield.

Defensive stock: Dollarama

Dollarama (TSX:DOL) was my top stock pick for the month of March. Shares of Dollarama have dropped 2.6% month over month at the time of this writing, a solid performance compared to the rout that has befallen most equities on the TSX. The company released its Q4 and full-year fiscal 2020 results on April 1.

The company's full-year fiscal 2020 guidance met on all key metrics, achieving comparable store sales growth of 4.3% for the year. Fourth-quarter momentum has spilled into the early weeks of 2021.

Sales volumes enjoyed an uptick as customers have sought to stock up on essentials in response to the COVID-19 outbreak. However, public health measures have resulted in lower traffic at Dollarama stores.

Dollarama shares last had a P/E ratio of 22, which is solid value territory in comparison to industry peers. This is a defensive stock worth owning in this uncertain environment.

Power Corporation

Power Corporation (TSX:POW) is a financial services giant with business sectors in North America, Europe, and Asia. The stock has dropped 30% month over month as of close on April 2. Power released its fourth-quarter and full-year 2019 results on March 18.

For the full year 2019, Power Corporation reported adjusted net earnings per share of $3.39 compared to $3.22 in the prior year. The company reiterated that it's not possible to calculate the full impacts of the lock downs at this time.

Power Corporation is a giant in its sector and looks like an attractive value play as we kick off an uncertain start to spring.

Shares of Power Corporation last had a favourable P/E ratio of 8.9 and a P/B value of 1.1. In late 2019, Power Corporation announced a 10.5% increase in its quarterly dividend to $0.4475 per share, which represents a hefty 8.6% yield.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:DOL (Dollarama Inc.)
2. TSX:GWO (Great-West Lifeco Inc.)

3. TSX:POW (Power Corporation of Canada)

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