Market Crash: 3 Unbelievably High-Yield Stocks on Sale in April!

Description

In the second week of April, the stock market crash is showing signs of calming down. TSX stocks have been rising, and volatility has abated.

This market action is no guarantee that the crash is over. It's easy to picture a new plunge when Q1 earnings come out, or if COVID-19 lockdowns are extended.

Nevertheless, this remains a great opportunity to buy quality stocks at cheap prices. Dividend stocks have some of the highest yields they've had in a decade, and many of them are poised to soar after the crash is over. With that in mind, here are three high-yield dividend stocks to consider buying in April.

Suncor Energy

Suncor Energy Inc (TSX:SU)(NYSE:SU) is an integrated energy extraction and marketing company. The company extracts oil from the tar sands and sells gasoline at a network of Petro Canada stores nationwide. Because it controls a complete oil & gas supply chain, it is able to capture more profit per barrel than an upstream-only company that sells to distributors.

At current prices, Suncor Energy stock yields 7.7%. That's an extremely high yield, although the company is at risk of cutting its dividend. It's virtually impossible to profitably sell tar sands crude at the prices we've been seeing lately.

Once COVID-19 passes and the Russia/Saudi oil price war abates, energy stocks like Suncor should come back to life. However, you'll need to be patient to see it happen.

TD Bank

The **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) has been one of Canada's best-performing bank stocks over the last decade. Thanks to its fast-growing U.S. retail business, it has handily out-performed its Big Six peers. This year, TD Bank stock has been hit hard by the "one two" punch of

COVID-19 and oil prices.

It has been granting mortgage extensions to borrowers, and may see defaults on oil & gas loans. For these reasons, TD's Q1 earnings won't be pretty.

However, TD is better positioned than other Canadian banks. Thanks to its U.S. presence, it's less exposed to shaky consumer credit than many of its peers (the U.S. has a much lower consumer debt to income ratio than Canada).

Additionally, the bank is well known for its conservative lending practices, which should help it get through the dual crisis unscathed.

Enbridge

Enbridge Inc (TSX:ENB)(NYSE:ENB) is a pipeline company that has been beaten down in the stock market crash. Trading at $55 in Mid-February, it was at just $40 as of this writing. That's about a 29% drop, which is significant, but not as bad as energy stocks as a whole.

That's probably because of the company's business model. As a pipeline company, it makes money off of shipping fees rather than oil sales. So, its earnings aren't as sensitive to the price of oil as those of, say, Suncor.

With that said, oil prices are so low now that we could see extraction companies curtailing their output, to avoid losing money on sales. While that would have an effect on Enbridge's earnings, it wouldn't be a massive effect compared to the hit upstream companies are taking.

Regardless, the slide in Enbridge stock has driven its yield to around 8%. That would be a solid yield to lock in, assuming the Canadian energy industry comes back to life.

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