2 Top Canadian Dividend Stocks to Buy in April

Description

The coronavirus pandemic has hit the economy and stocks hard. The TSX has followed the U.S. stock market lower to see the **S&P/TSX Composite** down by 18% since the start of 2020. There are claims that worse is ahead for stocks, despite recent economic stimulus measures. This has created a once-in-a-decade opportunity to acquire stocks at almost fire-sale valuations and create wealth. Here are two stocks that every investor should add to their portfolio after the latest stock market crash.

Leading REIT

WPT Industrial REIT (TSX:WIR.U) has lost 23% since the start of 2020. That's sees it trading at a 20% discount to its book value per unit at the end of 2019. This highlights the considerable potential upside available, underscoring why now is the time to buy. WPT's regular distribution, which, after the latest decline, is yielding 7%, further illustrates why now is the time to buy.

There are also WPT's solid fundamentals and strong growth prospects to consider. WPT finished 2019 with an unbelievable occupancy rate of 99%, highlighting how desirable light industrial property has become.

The rapid adoption of e-commerce and internet retailing has sparked a massive uptick in demand for light industrial properties to be used for logistic centres. That in combination with a supply shortage of suitable real estate is responsible for high industry-wide occupancy rates. It is also driving higher rents and property values. There is no sign of that trend slowing any time soon.

This will support considerable long-term earnings growth for industrial REITs.

WPT finished last year with a robust balance sheet. This is illustrated by its low total debt to gross book value of 43.6%. The REIT's total debt at the end of 2019 was a manageable eight times adjusted EBITDA. In response to the current harsh and uncertain operating environment, WPT expanded its credit facility, adding an additional US$600 million.

That substantial increase in liquidity will bolster WPT's financial flexibility. This, along with its robust fundamentals, means WPT will emerge from the current crisis in good shape.

WPT recently closed the purchase of a US$730 million portfolio of logistics and distribution properties. That favourably positions it to benefit from the exponential growth of online shopping.

Leading fuel distributor

Leading North American independent fuel distributor **Parkland Fuel** (TSX:PKI) has lost a whopping 35% since the start of 2020. This can be blamed on fears that the coronavirus pandemic will trigger a deep recession. This means there are considerable short-term headwinds for Parkland, but it still possesses solid fundamentals coupled with strong long-term growth prospects.

As a result of the coronavirus pandemic, Parkland has sharply reduced its capital spending for 2020 and withdrawn its earnings guidance. It also finished 2019 with $1 billion of liquidity, giving Parkland considerable financial flexibility and positioning it to weather the current crisis in solid shape.

The latest coronavirus induced oil price collapse will reduce Parkland's operating costs and bolster the profitability of its Burnaby refinery. Relatively inelastic demand for fuels, which are vital source of energy for modern society, will help to protect the company's 2020 earnings.

Nonetheless, the short-term impact of a marked deterioration in the U.S. economy and tourism in the Caribbean will hit earnings hard.

Parkland is in the enviable position of actively driving additional efficiencies from recent acquisitions, allowing it to organically boost profitability. Once the current crisis ends, Parkland will return to growth, causing its stock to rally significantly, emphasizing why now is the time to buy. While investors wait for that to occur, they will be rewarded by its dividend yielding a tasty 4%.

CATEGORY

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2. Energy Stocks
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1. TSX:PKI (Parkland Fuel Corporation)

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mattdsmith