3 Dirt-Cheap Dividend Stocks to Buy in April!

Description

Monday saw stocks tumble after two solid weeks of gains. While the losses weren't as extreme as those seen in March, they showed that the stock market could have more pain ahead. Ultimately, nobody knows what stocks will do in a given day, week, or month. However, over the extreme long term, they tend to rise. In light of that, many top TSX stocks could be considered bargains in April. The following are three particularly cheap ones to consider this month.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is Canada's largest pipeline company. It ships 1.2 million barrels of crude oil and liquids every day.

Like most energy stocks, Enbridge tanked following the oil price collapse. However, its actual fundamentals should be less impacted than other energy companies — particularly upstream companies. As a pipeline, ENB makes money off of shipping fees, not oil sales. As a result, it doesn't need strong oil prices to make money.

It does, however, need significant *demand* for oil, which is coming under threat now. For this reason, I expect Enbridge's Q1 earnings to be worse than past quarters. However, it will do better than upstream companies, making it a *relatively* attractive energy play. The stock also yields 8% and trades at just 15 times earnings.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is one of Canada's most reliable long-term dividend stocks. Having raised its dividend every single year for the past 46 years, it's a confirmed Dividend Aristocrat. With a P/E ratio of 14.5 and a 3.5% yield, it's relatively cheap and has a relatively high yield.

Fortis has a number of qualities that make it a good buy right now.

First, as an essential service, it's able to keep operating through the COVID-19 lockdowns. Second, as a utility, it is capable of making it through a recession without lost earnings. Third, it has the potential to bounce back from the market crash faster than companies whose operations will be seriously impacted by COVID-19.

Over the decades, Fortis has proven itself to be one of the most dependable dividend stocks on the TSX. That track record has held up through the COVID-19 market crash, with FTS having fallen less than the average TSX stock.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is one of Canada's biggest banks. Over the past decade, it has been the fastest-growing Big Six bank, thanks to its U.S. retail business.

This year, TD's stock is way down. As a result, it trades at just 8.8 times earnings, making it the cheapest stock on this list. It's also the second-highest-yielding stock on this list, with a 5.5% yield.

TD's business will absolutely be affected by COVID-19 and weak oil. Thanks to these two developments, its mortgage income and oil & gas loans are under threat. However, the company will bounce back from these headwinds after the crisis abates. It's also proportionately less exposed to them than other Canadian banks. Because of its U.S. presence, TD has relatively low exposure to oil & gas loans. This makes it one of the better buys among the Big Six.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date
2025/09/18
Date Created
2020/04/14
Author
andrewbutton