



## Earn \$1,000/Year From These 3 Cheap TSX Dividend Stocks!

### Description

There are some absolute bargain-priced dividend stocks trading on the TSX today! If you have \$15,000 to invest, here are three dividend stocks that are yielding between 5% and 9%. This is a great market to lock in some dividend income at historically high yields.

If you put \$5,000 into each of the names below, you would get a yield of \$1,123 per year. Each pay their dividends monthly, so that is around \$93 per month!

### Green energy and green in your wallet

The first TSX dividend stock is **TransAlta Renewables** ([TSX:RNW](#)). RNW has a diverse portfolio of wind, hydro, natural gas, and solar assets across Canada, the U.S., and Australia.

The company just reported decent first-quarter results. Power production was up 17% year over year (YOY), although revenues were down 13%. Comparable EBITDA and adjusted funds from operations were essentially flat YOY.

This dividend stock is a solid long-term stock to own. Its portfolio of assets have an average contract life of 11 years. Likewise, its sources of power are geographically and structurally diverse, so revenues and cash flows are fairly predictable and stable.

Among its renewable peers, RNW has one of the lowest valuations (an EV/EBITDA of 10), lowest amounts of debt (a net debt to capitalization of 26%), and one of the highest-yielding payouts (6.2%). It presently has around 333 MW of drop-down acquisition opportunities from its parent company, **TransAlta**. This could boost future production capacity by 13% and provide an accretive boost to cash flows.

RNW is not a sky-rocket stock, but its stability, value, and steady growth make it a great TSX dividend stock. Bet \$5,000 on it today, and you would earn distributions of almost \$26/month (\$311/year).

## Dream of owning this TSX dividend stock

**Dream Industrial REIT** ([TSX:DIR.UN](#)) is another great dividend-paying stock. Put \$5,000 into this 8.64%-yielding stock, and you could earn \$36/month (\$432/year).

Although its stock crashed this year, Dream Industrial has a portfolio that is better diversified (across Canada, the U.S., and Europe) and capitalized than ever before.

[Its first-quarter earnings](#) were somewhat mixed with 25% revenue growth (due to acquisitions), but FFO/share decreased 20%. Subsequently, its dividend-payout ratio rose to 100%.

Overall, the REIT is in great shape. It has a very low debt profile (a leverage ratio of 28%) and significant financial flexibility (\$400 million of liquidity). It gets organic growth through annual rent-rise agreements and external growth opportunities through a strong acquisition pipeline in North America and Europe.

40% of its tenants are e-commerce related, so it is good to know it has a base of tenants with solid operations today.

The REIT is [very cheap](#) and trades at a 25% discount to net asset value. Considering its strong financial position, the REIT should be able to sustain its dividend for some time. I think this is great opportunity to buy a very high-quality TSX dividend stock at deep-value pricing.

## This dividend stock has a long “pipeline” of opportunities

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is the last but not least TSX dividend stock. It is yielding 7.6%. A \$5,000 investment would earn you \$380 per year (\$31/month).

For being one of the world's best energy infrastructure companies, Enbridge is trading at historically low valuations. Yet the company has a reasonably low-risk business model.

98% of its EBITDA is regulated or contracted. 95% of its counter-parties have investment grade credit. Its cash flows come from a diversified mix of pipelines, gas transmission utilities, distribution and storage, and even power.

In addition, the company has \$14 billion of liquidity and is aggressively pursuing ways to reduce costs during this depressed oil cycle. Despite a challenging operating environment, management still affirmed its outlook for long-term annual 5-7% distributable cash flow growth. Overall, Enbridge is an attractive buy-today-and-hold-forever stock.

## The Foolish takeaway

These TSX dividend stocks won't be yielding so high forever. Today's market volatility is a great opportunity to buy high-quality stocks with solid income and capital gains potential.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

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1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RNW (TransAlta Renewables)

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