3 Dirt-Cheap Dividend Stocks to Buy Right Now

Description

If you're looking for a great dividend stock to add to your portfolio, then look no further. The three stocks below are not only cheap buys but they can generate dividend income for your portfolio as well:

RioCan

RioCan Real Estate Investment Trust (TSX:REI.UN) is one of Canada's top real estate investment trusts. With a diverse portfolio of properties, it's well-diversified and in good shape to handle adversity. While COVID-19 certainly presents some challenges for the company, they shouldn't be enough to deter investors from what could be an incredible buying opportunity.

The company released its earnings report earlier this month, where it confirmed that it doesn't have a single tenant that makes up more than 5% of its annual rental revenue. It also said that necessity-based and service-oriented tenants made up 75% of its annual net rental revenue.

And during the quarter, the company's funds from operations came in at $2.4 million higher than the prior-year period. While net income was down, that was due to fair value gains, which were higher in 2019.

The stock currently pays a monthly dividend of $0.12 that yields about 10% today. And it's trading at just six times its earnings and half its book value, making it a smoking-hot buy right now. Couche-Tard

Alimentation Couche-Tard Inc (TSX:ATD.B) is a convenience store operator with locations all over the globe. The Laval-based company pays a modest dividend which yields just 0.7% per year. But the real value in Couche Tard is the growth opportunity that the stock presents in addition to its dividend income.

The company recorded revenue of US$59.1 billion in fiscal 2019. That's up 56% from two years ago when its sales were just US$37.9 billion. Couche-Tard's been a growth machine and has been busy acquiring companies to help expand its business over the years. The company's even gotten involved in the cannabis industry, investing in pot retailer **Fire & Flower**.

Shares of Couche-Tard are currently trading at around 16 times earnings, which is what investors would expect to pay for a good value stock, let alone a growth giant like Couche-Tard. While COVID-19 will derail the company's near-term results, this could be a terrific time to buy the stock for the long haul, especially if the stock dips. Couche-Tard's stock is up 2% this year.

Canadian Utilities

Canadian Utilities Limited (TSX:CU) is a good, safe dividend stock to own. The utility business generally isn't that volatile, but so far in 2020 the stock is down 20%, making this another deal that could be too good to resist.

The company released its first-quarter earnings on May 1 and its revenues were down by 25% from the prior-year period. However, that was a result of the company selling its fossil fuel-based electricity generation portfolio and those assets no longer contributing to Canadian Utilities' top line. The company was still able to post an adjusted per-share profit of $0.66, which was down slightly from $0.73 a year ago.

Canadian Utilities is still doing well and with the dip in price its stock is trading at just 10 times earnings. It's a bargain buy for the best dividend growth stock on the **TSX.** The company's increased its payouts every year since 1972. And today, the stock pays a dividend $0.4354 which yields 5.6% annually. It's a great payout from a top dividend stock.

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1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

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