BUY ALERT: 3 Cheap Dividend Stocks Yielding up to 7.6%

Description

The **S&P/TSX Composite Index** rose 103 points to open the week on June 15. North American markets were hit with turbulence early in the trading day but rebounded to finish in the black. The TSX has built solid momentum since succumbing to the market crash in March. However, there are still discounts available for those who know where to look. Today, I want to look at three top dividend stocks that are still discounted in the middle of June. Let's dive in.

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One energy heavyweight dividend stock that is still discounted

Enbridge (TSX:ENB)(NYSE:ENB) is the largest energy infrastructure company in North America. In early May, I'd suggested that Enbridge was still a steal for income investors. Shares of Enbridge have dropped 3.8% month over month as of close on June 15. That means there is still opportunity for those who want to snag this top dividend stock at a discount.

In the first quarter of 2020, Enbridge reported adjusted EBITDA of $3.76 billion, which was flat in the year-over-year period. Adjusted earnings came in at $1.66 billion or $0.83 per share — up from $1.64 billion, or $0.81 per share, in Q1 2019. Overall, investors had to be happy with the company's performance in these difficult times. It is well positioned to weather the current downturn.

Enbridge last paid out a quarterly dividend of $0.81 per share. This represents a tasty 7.6% yield. Moreover, shares of Enbridge possess a favourable price-to-book (P/B) value of 1.4. This is a dividend stock that his worth stashing for the long term.

Reopening: Canadians are heading back to restaurants

Restaurant owners have reason to rejoice this week as Ontario announced the reopening of restaurant patios. Fast-food chains have been more resilient than their sector counterparts in this crisis. **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) stock has climbed 21% over the past three months.

The biggest surprise in the first quarter was the performance of Popeyes. The chicken chain reported system-wide sales growth of 32%. Meanwhile, it was the only franchise to post positive adjusted EBITDA growth. RBI has managed to overcome many of the challenges caused by the pandemic, but it will welcome the reopening across North America.

Shares of RBI last had a price-to-earnings (P/E) ratio of 24. This is solid value territory relative to industry peers. The dividend stock offers a quarterly distribution of $0.52 per share, which represents a 3.7% yield.

Don’t sleep on cheap bank stocks after Q2 earnings

Canadian bank stocks performed relatively well after earnings took a tumble in the second quarter. **Toronto-Dominion Bank** is the second-largest financial institution in the country. Its shares have dropped 13% in 2020 as of close on June 15.

Like its peers, TD Bank saw its provisions for credit losses soar in the second quarter. This contributed to a drop in adjusted net income to $1.59 billion compared to $3.26 billion in the prior year. Banks are stable profit machines, and some of the most reliable dividend stocks available on the TSX.

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TD Bank last possessed a favourable P/E ratio of 10 and a P/B value of 1.2. The bank declared a quarterly dividend of $0.79 per share on May 28, representing a strong 5.1% yield.

CATEGORY

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1. NYSE:ENB (Enbridge Inc.)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:QSR (Restaurant Brands International Inc.)

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aocallaghan

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