Dividend Investors: 3 TSX Stocks With Yields up to 9.5%

Description

The recent weakness in equity markets has pushed the dividend yields of several companies to attractive levels. It is a good time to go bargain hunting and buy quality stocks at lower valuations. We'll look at three Canadian companies with juicy dividend yields for the income investor.

A domestic financial giant

Shares of **Genworth MI Canada** (TSX:MIC) are trading at $33.64, which is 45% below its 52-week high. It is the largest private residential mortgage insurer in Canada with $6.6 billion in total assets as of March 2020. Genworth stock has a forward yield of 6.4%.

In the first quarter of 2020, the company showcased its ability to weather the ongoing pandemic. Its net operating income fell just 1% to $117 million, while total premiums were up 8% year over year at $114 million.

The company's huge market presence coupled with a low valuation makes Genworth the perfect buy for contrarian investors. Genworth stock has a forward price-to-earnings multiple of 7.8 and a price-to-book ratio of 0.85.

Housing prices have already rebounded in major Canadian cities, and investing in Genworth can help you leverage this trend without having to raise capital and directly invest in real estate.

Fiera Capital's dividend yield is 8.2%

The second stock on the list is **Fiera Capital** (TSX:FSZ), which has a yield of 8.2%. Fiera stock is trading at a price of $10.19, which is 23% below its 52-week high. The stock was completely decimated earlier this year when it fell to $4.77 but has since made a strong comeback and gained over 110%.

Fiera Capital is an asset management company with AUM (assets under management) of $158.1 billion. While this figure was $13 billion higher compared to the prior-year period, the ongoing volatility in the global equity markets might make investors nervous. Several of Fiera's clients might shift capital to safe havens, which might impact its AUM growth till markets stabilize.

Fiera's AUM fell from $170 billion in the fourth quarter of 2019 with $14.4 billion in redemptions. However, Fiera's dividend payments are relatively safe, as the company will spend approximately $85.6 million in payouts this year, while its operating cash flow stands at $145 million.

A cheap REIT

Shares of **Morguard REIT** (TSX:MRT.UN) are trading at $5.04, which is 60% below its 52-week high. This massive pullback has increased its dividend yield to a tasty 9.5%. Similar to most other REITs, Morguard has also been hurt due to countrywide lockdowns due to the COVID-19 pandemic.

Morguard REIT has real estate assets totaling $2.8 billion. It has a diversified real estate portfolio of 48 retail and industrial income-generating properties in Canada spanning 8.4 million square feet of leasable space. Morguard reduced its distribution by 50% to improve liquidity. Its rent collection in April stood at 65% after Morguard provided rent relief for its largest customer: Obsidian Energy.

The stock has a price to book multiple of 0.21, which indicates the company has a significant upside when normalcy resumes. Analysts tracking Morguard REIT stock have a 12-month average target price of $5.7, which is 13% higher than its current trading price. This also means total returns in the next year can be north of 22% after accounting for its dividend yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FSZ (Fiera Capital Corporation)
2. TSX:MRT.UN (Morguard Real Estate Investment Trust)

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