TSX Investors: 3 Cheap Super Dividend Stocks

Description

The **S&P/TSX Composite Index** has continued its impressive rebound well into the late summer. However, there is still anxiety surrounding the state of the broader economy. Canada's economy shrank at the fastest pace on record in the second quarter, though there was a sharp rebound in May and June. Back in July, I'd discussed why TSX investors should prepare for the worst and stash high-quality dividend stocks. Today, I want to look at three income-yielding equities that are undervalued and pay nice dividends.

My top housing-linked dividend stock

Canada housing has stormed back in terms of prices and sales activity in the top metropolitan areas. There is still considerable concern over how the winding down of government programs will impact homeowners. Millions of Canadians have opted for mortgage deferrals in 2020. As long as activity is booming, **Genworth MI Canada** (TSX:MIC) is a dividend stock worth holding.

Genworth is the largest private residential mortgage insurer in Canada. Its shares have climbed 8% month over month as of close on August 28. The stock is still down 25% this year. Mortgage origination volumes fell in Q2 2020, which hurt the company's bottom line. However, surging June, July, and August results should give it a boost in the quarters to come.

Shares of Genworth last had a price-to-earnings (P/E) ratio of 7.7 and a price-to-book (P/B) value of 0.8. This puts the dividend stock in very attractive value territory. Moreover, it last paid out a quarterly dividend of $0.54 per share. This represents a strong 5.9% yield.

Keep loading up on green energy stocks

Stocks in the oil and gas sector have been pummeled during the COVID-19 pandemic. However, renewable energy equities have stormed back. Green energy generation will continue to grow over the course of the 2020s, especially in countries like Canada. **Polar Infrastructure** is one of my topdividend stocks in this space.

Shares of Polaris have increased 20% so far this year. In Q2 2020, the company generated $10.9 million in cash flow from operations — up from $9.1 million in Q2 2019. Its stock last possessed a very favourable P/E ratio of 8.3 and a P/B value of 0.8. Better yet, Polaris offers a quarterly dividend of $0.15 per share. This represents a 5.6% yield. TSX investors on the hunt for future growth, value, and income should scoop up this dividend stock today.

This regional bank is still one of my top dividend stocks right now

Canadian Western Bank (TSX:CWB) may fly under the radar as a regional bank, but it has proven very reliable over the past quarter century. Its stock has dropped 12% in 2020. Back in May, I'd suggested that Canadians should look to snag this dividend stock at a discount. Fortunately, this bank stock is still undervalued.

In Q3 2020, Canadian Western reported revenue of $226 million — up from $218 million in the prior year. On an adjusted basis, profit per share hit $0.74. This was down from $0.82 per share in Q3 2019, but it still beat analyst expectations.

This stock last had an attractive P/E ratio of 9.1 and a P/B value of 0.8. It currently offers a quarterly dividend of $0.29 per share, which represents a solid 4.2% yield. This dividend stock has achieved dividend growth for over 25 consecutive years. Canadian Western remains one of the best value picks in the financial space for TSX investors.

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