Got $4,000? 4 Dirt-Cheap Dividend Stocks to Buy Now

Description

Several provinces across Canada have opted to bolster restrictions, as fears of a second wave of COVID-19 have increased. The Canadian economy suffered its worst GDP decline on record in the second quarter. Activity enjoyed a slight bounce back in the summer, but the recovery will likely be stopped short, as the fall and winter bear down on the country. Because of this, investors should keep their eyes on discounted dividend stocks. It may be time to go on the defensive sooner rather than later.

Two giant dividend stocks that are discounted

The energy sector was the first to be punished, as the COVID-19 pandemic crippled the global economy. Lockdowns had a devastating impact on demand, which throttled the oil and gas industries. However, many countries are doing what they can to avoid, loosen, or dramatically shorten future lockdowns. Investors should keep their eyes on energy stocks right now.

Imperial Oil (TSX:SU)(NYSE:IMO) is a top explorer, producer, and seller of crude oil and natural gas in Canada. Its shares have dropped 53% in 2020 as of close on October 1. The stock is down 28% month over month. Back in July, I'd discussed why this dividend stock was worth consideration.

Investors can expect to see the company's third-quarter 2020 results within a month. In Q2 2020, Imperial Oil reported a net loss of $526 million due primarily to lower upstream realizations and downstream margins. On the plus side, the company still has a solid balance sheet, and its total debt has remained stable.

The dividend stock last had a very favourable price-to-book (P/B) value of 0.5. Its stock last possessed an RSI of 18, which puts Imperial Oil in technically oversold territory. Moreover, it still offers a quarterly dividend of $0.22 per share. This represents a strong 5.7% yield.

Suncor is another top energy stock to consider. Its shares last had an RSI of 24, which also puts this stock at oversold levels. Suncor recently dropped its quarterly dividend to $0.21 per share,representing a 5.4% yield.

This REIT is worth your attention in early October

Canadian real estate is booming, but experts are warning of a growing bubble. Many top REITs have been throttled, as faith has been lost in commercial real estate. **RioCan REIT** is one of the largest real estate investment funds in Canada. Shares of this dividend stock have dropped 42% in 2020.

RioCan fell into technically oversold territory in late September. It last had a P/B value of 0.5, which puts it in attractive value territory. Moreover, it offers a monthly dividend of $0.12 per share. This represents a monster 10% yield.

One financial dividend stock that looks cheap today

CI Financial is the final discounted dividend stock I want to look at today. The company is a global asset management and wealth management advisory services company. Its shares have fallen 9% month over month.

Shares of CI Financial currently possess a very attractive P/E ratio of 7.3. It last paid out a quarterly dividend of $0.18 per share. This represents a solid 4.2% yield.

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