



3 Beaten-Down Dividend Stocks to Buy Right Now

Description

Although the Canadian equity markets have made a brighter start to this month, with the **S&P/TSX Composite Index** rising 1.8%, I expect the equity market to remain volatile going forward given the nervousness ahead of the United States presidential elections. Also, the high unemployment rates and rising COVID-19 infections could put pressure on the equity markets.

Meanwhile, amid the uncertain outlook, you can invest in dividend stocks to earn stable and worry-free dividends. Here are three high-yielding dividend stocks trading at a bargain.

TC Energy

My first pick would be a Canadian energy infrastructure company **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), which has lost over 19% of its value this year amid volatile oil prices and weaker demand. Meanwhile, the company generates 95% of its adjusted EBITDA from its long-term contracts, which provides stability to its earnings and future cash flows.

The fall in its stock price has hiked its dividend yield. Currently, TC Energy's dividend yield stands at a juicy 5.8%. Meanwhile, the company's management expects to raise its dividends by 8-10% next year and 5-7% in the following year. So, investors can earn handsome dividends in the future.

At the end of the [second quarter](#), the company had liquidity of over \$11 billion. Further, the company is moving ahead with its \$37 billion secured growth projects, with already \$3 billion of assets put into service during the first half of 2020. So, given its high dividend yield, strong liquidity position, and impressive growth prospects, [TC Energy would be an excellent buy](#).

Rogers Communications

With telecommunication becoming essential in our day-to-day activities, I choose **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) as my second pick. The company has lost over 17% of its value this year, as the pandemic-infused shutdown weighted heavily on its financials and stock price.

The company has been rewarding its shareholders with dividends since 2007. Currently, its dividend yield stands at 3.7%. Although the company's dividend yield is on the lower side, its dividend payout ratio stands at 45%. So, there is more room to hike its dividends. Further, the company's dividends are safe, given its strong cash flows, ample liquidity, and impressive growth prospects.

Despite its weak second-quarter performance, Rogers Communications generated \$468 million of free cash flows for the quarter. At the end of the quarter, its liquidity stood at \$5.4 billion, which would support its growth initiatives and future dividend payouts.

In January, the company launched the 5G network in four Canadian markets, with the plans to expand to 20 more markets by the end of this year. The company was the first to launch a 5G network in the country and is well ahead compared to its peers. Being a first-mover, the company could attract more customers, driving its subscriber base in the next few quarters. So, the company's growth prospects look healthy.

Bank of Nova Scotia

My third pick would be **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), which has lost close to 24% of its value this year. The rise in provisions for credit losses has weighed on the company's stock price. It has significant exposure to Latin America, which was severely hit by the pandemic, driving its provisions higher.

The company pays quarterly dividends of \$0.90. So, its dividend yield currently stands at an attractive 6.5%. The company has hiked its dividends at a CAGR of 6% over the last 10 years. With its EPS rising at a compound annual growth rate (CAGR) of 8% over these years, the strong fundamental performances have supported its dividend hikes.

Further, the company's financials could stabilize over the next few quarters, given the improving economic activities and its well-diversified approach. I am therefore bullish on Bank of Nova Scotia.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:TRP (TC Energy Corporation)

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