TFSA Investors: 2 Cheap Dividend Stocks That Pay More Than 5%

Description

Are you looking for some good, high-yielding dividend stocks to add to your Tax-Free Savings Account (TFSA)? Valuations are high right now, and finding a stock that pays a high yield and that isn't expensive can be difficult. However, the following two stocks haven't been soaring to obscene levels in the past year, and they are still good value buys today with plenty to offer.

Rogers Sugar

It's not a flashy stock, and it's easy to overlook **Rogers Sugar** (TSX:RSI), but for value investors, this can be a gem to put in your portfolio. A defensive stock, Rogers isn't going to take you on any wild rides. With a beta value of 0.61, Rogers stock won't move in unison with the market. But that doesn't mean it's a bad investment, either. Over the past year, shares of Rogers are up around 15%, as they've outperformed the TSX, which is flat over that period.

The company has recorded a profit in each of the past four quarters. In its most recent earnings report, Rogers's sales of $246 million grew 19% from the prior-year period. For the full year, revenue of $861 million rose 8.4%. And what's impressive is this is occurring even though restaurants and other businesses aren't operating anywhere near full capacity. As the economy recovers, Rogers's numbers could look even better.

With a dividend yield of 6.6%, this is one of the better payouts you can put in your TFSA right now. On a $25,000 investment, you could earn approximately $1,650 a year just in dividends. And the stock is still a cheap buy today, trading at a price-to-earnings (P/E) multiple of just 16.

CIBC

One stock I regret not picking up last year when it was down was **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM). And even though it may not reach the lows it hit in 2020, it's still a good investment to add to your TFSA today. Its 5.3% yield is high given that bank stocks aren't usually known for having high payouts. It is a bit more volatile than Rogers, but with a beta of around one, it's no more erratic than the market. And over the long run, it’s a safe bet to rise in value.

The stock is only up around 2% over the past year, and while that isn’t great, it also isn’t horrible, especially given the poor outlook for the economy due to the coronavirus pandemic. At a P/E of 13, this is another good value buy, and CIBC stock is nowhere near the highs of more than $120 that it reached in 2018. Whether you want a great dividend or just a stock you won’t have to worry about, CIBC can be a great long-term investment that keeps generating cash flow for your portfolio every three months.

And while its yield is not as high as Rogers’s is, the big advantage CIBC investors get is that the big bank normally raises its payouts on an annual basis. Today, its quarterly dividend pays $1.46, and five years ago, in 2015, it was paying as low as $1.06 — that’s a 37.7% increase since then.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:RSI (Rogers Sugar Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date
2025/06/28
Date Created
2021/01/28
Author
djagielski