Canadians: 3 Cheap Dividend Stocks to Target in May

Description

The **S&P/TSX Composite Index** was up 100 points in early afternoon trading on May 6. Stocks have looked broadly overvalued since the start of the spring. Investors who are worried about future volatility may want to consider snatching up top dividend stocks. Today, I want to look at three of my favourites. Let's jump in.

I've still got my eye on this top healthcare REIT

Late last year, I'd discussed how investors could generate passive income in their portfolio. Real estate investment trusts (REITs) are a very solid target for those on the hunt for dividends. **Northwest Healthcare REIT** (TSX:NWH.UN) provides investors access to a portfolio of high-quality healthcare real estate. Its shares have climbed 5.9% in 2021 at the time of this writing. The dividend stock is up 38% year over year.

The REIT is expected to unveil its first-quarter 2021 results on May 13. In 2020, Northwest Healthcare saw IFRS revenue increased 2.1% to $374 million. Meanwhile, adjusted funds from operations (AFFO) rose 1% to $0.85 for the full year. It achieved a strong portfolio occupancy of 97.1%, as the pandemic kept healthcare facilities packed over the past year.

Northwest REIT possesses an attractive price-to-earnings (P/E) ratio of 8.3. It offers a monthly dividend of $0.067 per share. That represents a tasty 6.1% yield.

This dividend stock offers nice value in early May

Manulife Financial (TSX:MFC)(NYSE:MFC) is one of the largest financial services and insurance providers in Canada. It boasts a global footprint which has fueled growth in recent years. I'd suggested that investors should scoop up this dividend stock in the fall of 2020. Shares of Manulife have climbed 16% in 2021. The stock has surged 56% from the prior year.

The company released its first-quarter 2021 results on May 5. Core earnings increased 67% year over year to $1.6 billion. Meanwhile, APE sales rose 14% to $1.8 billion. Asia new business value grew to $477 million compared to $356 million in the previous year. This powered a solid increase in total new business value. The growth of the middle class in Asia has attracted top insurers like Manulife to international markets over the past decade.

Shares of Manulife last had a very favourable P/E ratio of 8.9. It last paid out a quarterly dividend of $0.28 per share, which represents a 4.1% yield.

One more dividend stock that will generate monthly income in your portfolio

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is the third dividend stock I'd like to target in early May. The company is set to release its first-quarter 2021 results after markets close today. Shares of this dividend stock have climbed 27% in the year-to-date period. The stock is up 24% from the prior year.

Oil and gas prices have enjoyed a rebound on the back of a global economic rebound. This has given energy stocks new life in late 2020 and early 2021. Pembina still offers attractive value relative to its industry peers. The dividend stock last paid out a monthly distribution of $0.21 per share. This represents a strong 6.4% yield.

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2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:PPL (Pembina Pipeline Corporation)

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