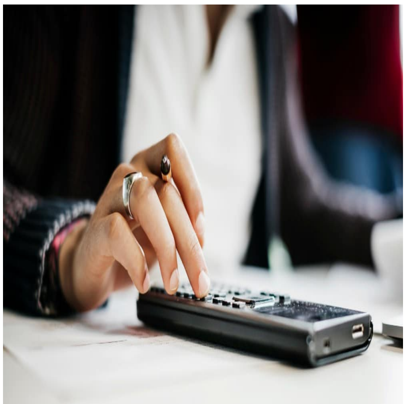

3 Top TSX Dividend Stocks to Buy Under $30 in June 2021

Description

While the **S&P/TSX Composite Index** has surpassed 20,000 points, the setup for Canadian stocks still looks attractive. The Canadian Index is still cheaper than many global stock markets both to price-to-earnings metrics and on a dividend yield.

Fortunately, TSX stocks should do really well in a reflationary environment. Stocks in materials, energy, financials, and real estate all often perform well when the economy is rising. If you are an income investor looking for a decent yield in 2021, here are three TSX dividend stocks trading under $30 per share right now.

A midstream turnaround story

AltaGas (TSX:ALA) is a TSX stock that has largely been misunderstood by the market. A few years ago, the company made some operational stumbles and took on too much debt. However, management has been working to simplify its business model and clean up its balance sheet. Today, it operates a high-quality regulated natural gas utility in America. As well, it operates a midstream export business in Western Canada.

The utility operation provides very consistent, predictable cash flows. This helps offset some of the volatility from its commodity-exposed midstream business. Yet the utility still has an attractive organic growth profile today. Likewise, its midstream segment is operating on all cylinders due to strong energy demand in Asia. It's winning on both fronts right now.

This TSX stock pays a 4.5% dividend but trades around $25 per share. It is still relatively cheap compared to other peers, and I think it will continue to benefit from solid commodity tailwinds in 2021.

A TSX real estate stock operating in America

While **WPT Industrial REIT** (TSX:WIR.U) is TSX listed, 100% of its properties and operations are in the United States. It owns a high-quality portfolio of industrial, warehouse, and logistics properties across America. These assets are leased to high-quality e-commerce and consumer staple tenants like **FedEx**, **Amazon**, and Ikea.

Through the pandemic, WPT's assets have performed very well. It had almost no bad debts and occupancy was stable at over 97%. Today, demand for industrial real estate is insatiable. WPT is enjoy very strong, double-digit rental rate growth this year.

It also continues to benefit from joint-venture partnerships that are fueling a decent development pipeline. This REIT has a specialized expertise at finding well-located properties and developing spec industrial properties. I believe it can use this as an advantage to consistently garner above-market cash yields on cost.

Today, this TSX stock trades around $18 per share and pays a 4.2% dividend. Compared to U.S. industrial peers, this stock is still heavily discounted. I believe as it executes its development plan, that valuation gap should close.

A top TSX utility stock

Algonquin Power (TSX:AQN)(NYSE:AQN) has been getting no love since February this year. This TSX stock is down 8.5% since the start of the year. While that is not normally a good thing, I think it presents a good entry point for income-focused investors. Right now, it is trading around $19 per share and has a solid 4.4% dividend. It just raised that payout by 10% last quarter.

This is a great stable business to buy and hold for the long run. It has a mix of diversified regulated utility assets. They provide very solid, predictable streams of cash flow. Likewise, Algonquin is also growing from a strong renewable power business in America. It is really well positioned to benefit from any infrastructure spending put forward by the Biden administration.

It is executing a large capital plan that should accrete 8-10% earnings-per-share growth over the next five years. Combine that with dividend growth at the same rate, and this TSX stock makes for a great income stock own for a lifetime.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)

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