Got $1,000? Buy These 3 Under-$30 Dividend Stocks

Description

Amid the rising volatility in the equity markets, investors could strengthen their portfolios by adding high-quality dividend stocks. So, if you are ready to invest, here are three stocks that generate steady cash flows and pays dividends at a healthier rate.

TransAlta Renewables

The rising concerns over higher pollution levels have accelerated a shift toward renewable energy. So, amid this favourable trend, I have selected **TransAlta Renewables** (TSX:RNW) as my first pick. It operates or has an economic interest in 44 power-generating facilities, with a total capacity of 2.5 gigawatts.

Meanwhile, the company acquired three more power-generating facilities from **TransAlta Corporation** in May. These acquisitions increased its power generating capacity by 303 megawatts. Besides, the company sells its power through long-term contracts, with the weighted average contract life standing at 12 years. These long-term contracts protect its financials from price and volume fluctuations, thus delivering stable earnings and cash flows.

Besides, TransAlta Renewables has a strong pipeline of projects, which can increase its power-generating capacity by 2.9 gigawatts. So, the company's growth prospects look healthy. The company also pays monthly dividends. It has hiked its dividends at a compound annual growth rate (CAGR) of 3% since going public in 2013. Currently, the company's forward dividend yield stands at 4.33%.

Telus

In this digitally connected world, the demand for reliable and high-speed communication networks is rising. So, **Telus** (TSX:T)(NYSE:TU) would be an excellent bet right now. Meanwhile, the company has accelerated its capital spending to expand its 5G and broadband coverage.

It has planned to invest $3.5 billion annually in 2021 and 2022. However, after the completion of its accelerated broadband build in 2022, its capital spending could fall to $2.5 billion in 2023.

Meanwhile, Telus acquired Playment earlier this week, strengthening its capabilities to support large tech companies developing AI-powered solutions. Besides, the company is also focusing on expanding its high-growth verticles, such as TELUS International, TELUS Health, and TELUS Agriculture. All these factors could boost its financials in the coming quarters.

Meanwhile, Telus pays quarterly dividends of $0.3162, with its forward dividend yield stands at 4.55%. Given its healthy growth prospects and juicy dividend yield, I am bullish on Telus despite the volatility.

Extendicare

My final pick would be **Extendicare** (TSX:EXE), which provides care and services to senior Canadian citizens under various brands. Amid the pandemic, its occupancy rate has declined. However, its top line grew by 18.6% in the March-ending quarter amid the support of $55.4 million from COVID-19 funding. Its adjusted EBITDA increased by $7.6 million to $27.7 million.

Supported by these strong financials, the company's stock price has risen by 26.5% this year, comfortably outperforming the broader equity markets.

Meanwhile, I expect the rally to continue, as the demand for the company's services could rise in the coming years amid a growing aging population and increasing income. Meanwhile, the company is working on expanding its capacity and replacing its aged facilities.

It is currently building nine new projects worth $500 million. The favourable industry trend and Extendicare's growth initiatives could drive its financials in the coming quarters.

Besides, the company also pays monthly dividends of $0.04 per share, with its forward dividend yield standing at 5.71%. So, Extendicare would be an excellent buy for income-seeking investors.

CATEGORY

1. Dividend Stocks
2. Energy Stocks

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:EXE (Extendicare Inc.)
3. TSX:RNW (TransAlta Renewables)
4. TSX:T (TELUS)

PARTNER-FEEDS

1. Koyfin
2. Msn
3. Newscred
4. Quote Media
5. Sharewise

6. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks

Date
2025/08/27
Date Created
2021/07/09
Author
rnanjapla