Got $1,000? 3 Top Under-$30 Dividend Stocks to Buy Right Now

Description

The volatility in the equity markets has increased over the last few weeks amid fears that rising COVID-19 cases could severely dent the economic recovery. So, in this volatile environment, investors can strengthen their portfolios by investing in safe dividend stocks. Meanwhile, here are three stocks that pay dividends at a healthier rate and trade below $30.

Telus

Telus (TSX:T)(NYSE:TU), which had reported a solid second-quarter performance last week, is my first pick. Its operating revenue and adjusted EBITDA increased by 10.3% and 9.5%, respectively. The company's customer base expanded to 16.3 million, with the addition of 223,000 over the last four quarters. The expansion of its 5G and PureFibre services helped in acquiring new customers. The company's high-growth vertical, such as TELUS International and Health services, also posted substantial numbers, driven by organic growth and acquisitions.

At the end of the second quarter, Telus offered 5G service to 36% of the Canadian population. Meanwhile, the company plans to expand the service to 70% of Canadian citizens by the end of this year. Also, the company has accelerated its capital spending to expand its high-speed broadband services, which could also boost its financials in the coming quarters. So, given its healthy growth prospects, I believe Telus's dividend is safe. Currently, the company's forward dividend yield stands at a healthy 4.65%.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) provides low-risk utility services to over one million customers. It also operates renewable power-generating facilities; the power generated from these facilities is sold through long-term contracts. So, the company's financials and cash flows are largely stable, allowing the company to raise its dividend consistently. Meanwhile, Algonquin Power & Utilities has increased its dividend by over 10% each year in the last 11 consecutive years. Its forward dividend yield is currently standing at a healthy 4.21%.

Notably, the company looks to expand its utility and renewable assets and has planned to invest $9.4 billion over the next five years. Along with these investments, the increased transition towards renewable or clean energy could boost its financials in the coming quarters. So, the company is well equipped to continue raising its dividend in the coming years. Despite its healthy growth prospects, the company trades at an attractive valuation, with its forward price-to-earnings multiple standing at 22.2. So, given its stable cash flows, healthy dividend yield, and attractive valuation, Algonquin Power & Utilities could be an excellent addition to your portfolio in this volatile environment.

TransAlta Renewables

My final pick is **TransAlta Renewables** (TSX:RNW), which operates or has an economic interest in over 45 power-generating facilities, with a total power-generating capacity of 2.8 gigawatts. Meanwhile, the company sells its power through long-term agreements, shielding its financials from volume and price fluctuations and delivering stable cash flows.

Along with organic growth, the company also relies on acquisitions to drive growth. Since 2013, the company has made $3.4 billion worth of acquisitions. Further, the company has a strong pipeline of projects, with 2.9 gigawatts of projects under evaluation. Meanwhile, people, businesses, and governments are slowly shifting towards renewable or clean energy amid rising pollution levels. So, the transition could be beneficial for TransAlta Renewables. So, given its solid growth prospects and steady cash flows, the company's dividend is safe. It currently pays a monthly dividend of $0.07833 per share, with its forward yield standing at 4.28%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:RNW (TransAlta Renewables)
5. TSX:T (TELUS)

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