



The 2 Best Canadian Stocks to Invest \$500 in Right Now

Description

The pandemic came along to change everything about our lives. With many people losing their jobs or other income streams due to the direct or indirect impact of lockdown measures necessary to curb the spread of COVID-19, many Canadians have realized the importance of being more cautious with their spending and creating additional revenue streams.

Household savings rates have improved due to lower discretionary spending, but setting aside cash is not enough. Investing your money in income-generating assets that can grow your wealth through shareholder returns in the form of dividends and capital gains is the best way to make use of your savings to earn more money.

Knowing how to find high-quality and [undervalued stocks](#) that pay shareholder dividends can provide your portfolio with the one-two punch of generous dividends and long-term capital gains to grow your wealth.

Today, I will discuss two [Canadian dividend stocks](#) that are trading for less than their intrinsic values and can provide you with reliable payouts to pad your account balance with shareholder dividends while you wait for the companies to appreciate in the stock market.

Diversified Royalty

Diversified Royalty ([TSX:DIV](#)) stock is a dividend stock that comes at a very low cost but provides its investors with generous dividends. The \$346.31 million market capitalization company is trading for just \$2.84 per share at writing, and it pays its shareholders a juicy 7.39% dividend yield.

The six royalty partners associated with Diversified Royalty have recovered rapidly since the pandemic-fueled downturn and continue to deliver stellar returns.

Diversified Royalty collected 100% of fixed royalty and management fees from its partners, positioning the company well to continue capitalizing on positive industry trends. The stock could be an excellent buy today, as the economic expansion continues.

Rogers Sugar

Rogers Sugar ([TSX:RSI](#)) is a company that is valuable to Canada's economy. The \$570.49 million market capitalization company provides sugar refining and sugar beet-processing services. It also owns and operates several blending and packaging facilities responsible for producing multiple food products that contain sugar.

Sugar is a consumer staple, and enjoying a strong position in the industry virtually guarantees stable cash flows for Rogers Sugar.

With the industry contributing roughly \$1 billion worth in sugar shipments each year, Rogers Sugar plays a vital role in the economy. At writing, the stock is trading for just \$5.51 per share, and it pays its shareholders a juicy 6.53% dividend yield, making it an attractive pick to consider for your portfolio.

Foolish takeaway

If you have some extra cash set aside, you should put it to better use than leaving it idle or using it as spending money. Allow the money to generate more income for you by investing it in assets that can provide you with decent returns to make the most of your hard-earned money.

If you are a long-term investor, any money you invest in a high-quality company can provide you with significant returns over the long haul and grow seemingly insignificant amounts to substantial money and fuel your financial freedom.

Rogers Sugar stock and Diversified Royalty stock are two such [dividend stocks](#) that you could consider adding to your portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DIV (Diversified Royalty Corp.)
2. TSX:RSI (Rogers Sugar Inc.)

PARTNER-FEEDS

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2. Koyfin
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