3 Dirt-Cheap Dividend Stocks to Buy Now

Description

The **S&P/TSX Composite Index** shed 91 points on September 16. The only sectors that enjoyed an uptick were financials and information technology. Canadian investors appear anxious ahead of the federal election on September 20. However, if polls are to be believed, it seems that the election will not result in a change of leadership. In any case, investors may be looking to protect themselves from inflation and uncertainty. Today, I want to look at three cheap dividend stocks that are worth picking up right now.

Here's why investors should snatch up this promising REIT in September

Earlier this week, I'd looked at one of my favourite REITs on the TSX. **Allied Properties REIT** (TSX:AP.UN) is another REIT that is worth your attention. It owns, manages, and develops urban workspace in major metropolitan areas and network-dense urban data centres. Shares of this dividend stock have climbed 11% in 2021 as of close on September 16.

The REIT unveiled its second-quarter 2021 results on July 26. Adjusted EBITDA increased 6.8% from the prior year to $91.2 million. Net income rose 6% year over year to $98.5 million. Meanwhile, adjusted funds from operations (AFFO) climbed 11% to $67.9 million.

Allied Properties REIT last paid out a monthly distribution of $0.142 per share. That represents a solid 4% yield. Shares of this dividend stock last had a favourable price-to-earnings (P/E) ratio of 16.

This cheap dividend stock is very dependable

ATCO (TSX:ACO.X) is a Calgary-based company that provides housing, logistics and transportation, agriculture, water, real estate, and energy and energy infrastructure solutions in Canada and around the world. Shares of this dividend stock have increased 12% in the year-to-date period. The stock is down 5.3% month over month.

The company unveiled its second-quarter 2021 results on July 29. It delivered adjusted earnings of $80 million, or $0.70 per share, in Q2 2021 — up from $70 million, or $0.61 per share, in the previous year. Moreover, it declared a third-quarter dividend of $0.4483 per share. That represents a 4.4% yield.

Shares of this dividend stock possess a P/E ratio of 21. That puts ATCO in favourable value territory relative to its industry peers. Now is a great time to snatch up this solid dividend payer on the dip.

One more undervalued dividend stock to buy today

Transcontinental (TSX:TCL.A) is the third undervalued dividend stock I want to zero in on today. The Montreal-based company is engaged in the flexible packaging business in Canada and around the world. Its shares have climbed 5.2% so far this year. However, the stock has plunged 15% month over month.

Shares of Transcontinental dipped sharply following its third-quarter 2021 earnings release. Revenue rose 5.8% year over year to $621 million. However, it took a hit in other major categories. Adjusted operating earnings dipped 34% to $67.4 million. Moreover, adjusted net earnings declined 35% to $44.2 million. Management pointed out that the company faced challenges in the form of resin price hikes, the reduction in the Canada Emergency Wage Subsidy, and the exchange rate variation.

This dividend stock last paid out a quarterly dividend of $0.225 per share, which represents a solid 4.2% yield. Better yet, Transcontinental possesses an attractive P/E ratio of 13.

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2. TSX:AP.UN (Allied Properties Real Estate Investment Trust)
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