3 Cheap Dividend Stocks to Buy Before October

Description

The **S&P/TSX Composite Index** was up 87 points in mid-afternoon trading on September 23. Canadian stocks have broadly bounced back since a rough start to the year. However, there are still some solid buy-low opportunities for investors. Today, I want to look at three undervalued dividend stocks that you should consider today.

Consider this undervalued stock in the auto space

Element Fleet Management (TSX:EFN) is a Toronto-based company that provides fleet services and solutions for cars, light-duty vehicles, trucks, and MHE equipment. Shares of this dividend stock have increased 1.2% in 2021 at the time of this writing. The stock is up 22% from the prior year. It has dropped 5.5% month over month.

The company unveiled its second-quarter 2021 results on July 27. Net revenue climbed 4.4% from the prior year to $235 million. This fell within the company's target. Meanwhile, adjusted operating income climbed 13.8% to $126 million or $0.20 per share. It reported that client demand for new vehicles was up 56% in the first half of the fiscal year. The company is projected for strong earnings growth and boasts a solid balance sheet.

Shares of this dividend stock possess a solid price-to-earnings ratio of 20. It offers a quarterly dividend of $0.065 per share, which represents a modest 1.9% yield.

This top telecom dividend stock is worth buying on the dip

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is one of the top telecommunications companies in Canada. I'd suggested that investors should look to snatch up this dividend stock earlier this month. Shares of Rogers have dropped 1.7% in 2021. It has plunged 6.3% month over month, pushing it into the red.

Investors got a look at its second-quarter 2021 earnings on July 21. It delivered wireless service revenue growth of 2% as wireless postpaid net subscriber additions rose to 99,000. Total revenue increased 8% to $7.07 billion for the first six months of 2021. Meanwhile, adjusted EBITDA climbed 5% to $2.76 billion in the year-to-date period. Adjusted net income rose 15% to $781 million.

This dividend stock last had a favourable P/E ratio of 18. Rogers currently offers a quarterly dividend of $0.50 per share, which represents a 3.3% yield.

One more cheap dividend stock that offers monthly income

Sienna Senior Living (TSX:SIA) provides senior living and long-term care (LTC) services across the country. Shares of this dividend stock have climbed 9.3% in the year-to-date period. The stock is up 36% from the same time in 2020. Last year, I'd discussed why stocks like Sienna were worth targeting as the COVID-19 pandemic put the focus on long-term care facilities in Canada.

In Q2 2021, the company delivered a net income of $8.1 million – that's up $1.3 million from the previous year. Sienna reported strong liquidity of $235 million to close out the quarter. Canadians should look to snag stocks with exposure to this sector. The aging population will boost the population at long-term care facilities, and the pandemic has shown the need for more funding going forward.

This dividend stock last paid out a monthly distribution of $0.078 per share. That represents a strong 6.2% yield.

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