3 Dirt-Cheap Dividend Stocks Yielding up to 6.2%

Description

The **S&P/TSX Composite Index** was up 66 points in late-morning trading on September 27. Canadian stocks enjoyed a rebound from the dip suffered at the end of the previous week. There is some unease present among investors and analysts right now, as central banks mull a path forward. An increase in interest rates has the potential to stir volatility in the months ahead. Today, I want to look at three cheap dividend stocks that offer nice yields. These equities are worth holding onto in this uncertain period.

Canadians should target this dirt-cheap insurance stock

Manulife Financial (TSX:MFC)(NYSE:MFC) is a Toronto-based company that provides insurance and financial services to a global client base. Its shares have climbed 10% in 2021 at the time of this writing. The stock has increased 31% year over year. This is a cheap dividend stock you can rely on for the long term.

The company unveiled its second-quarter 2021 earnings on August 4. Core earnings jumped 18% from the previous year to $1.7 billion. Meanwhile, net income attributable to shareholders was reported at $2.6 billion — up from $1.9 billion in the second quarter of 2020. New business value in Asia grew to $876 million in the year-to-date period — up from $654 million in the prior year.

Shares of this dividend stock last had an attractive price-to-earnings (P/E) ratio of 6.8. Moreover, Manulife offers a quarterly distribution of $0.28 per share. That represents a solid 4.5% yield.

A dividend stock that flies under the radar in the banking sector

Canadian Western Bank (TSX:CWB) is an Edmonton-based regional bank. However, it has recently opened a batch of branches in the eastern part of the country. Shares of this underrated bank stock have climbed 30% so far this year. The stock is up 35% from the same time in 2020.

In Q3 2021, Canadian Western delivered total revenue growth of 16% to $263 million. Meanwhile, branch-raised deposits climbed 17% to $18.7 billion. Loans achieved 9% growth to $32.3 billion across the country and had 10% growth in the province of Ontario. Better yet, adjusted earnings per share increased 36% year over year to $1.01.

What makes Canadian Western a cheap dividend stock? Its shares last had a favourable P/E ratio of 10. Moreover, it offers a quarterly distribution of $0.29 per share. This represents a 3.1% yield.

One more cheap dividend stock that offers big income

Extendicare (TSX:EXE) is the third and final cheap dividend stock I want to zero in on today. Last spring, I'd discussed some of the top healthcare stocks to target during the COVID-19 pandemic. Extendicare is an Ontario-based company that provides care and services for seniors across Canada. Its shares have increased 18% in 2021. The stock is up 44% from the previous year.

Investors got a look at its second-quarter 2021 results on August 5. Long-term-care (LTC) occupancy rose 250 basis points, bolstered by easing COVID-19 restrictions. Extendicare reported vaccination rates at 90% or above at its LTC facilities and retirement residences at the end of the second quarter. Revenue rose 9% to $307 million, and adjusted EBITDA nearly doubled from $9.7 million to $17.8 million.

This cheap dividend stock possesses a favourable P/E ratio of 11. It offers a monthly distribution of $0.04 per share, representing a tasty 6.2% yield.

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3. TSX:EXE (Extendicare Inc.)
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Date
2025/08/25
Date Created
2021/09/27
Author
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